Harnessing Digital Technology **For Tomorrow's Healthcare**

Alliance Healthcare Group Limited

Annual Report 2020

Table Of **Contents**

This annual report has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.

Corporate **Profile**

Alliance is a reliable medical brand with both in-house and GP specialist clinics, a healthcare organisation specialising in corporate health solutions, a wholesale pharmaceutical company facilitating timely access of medications to the region, and a progressive healthcare company making quality medical care within reach through mobile and home care service.

As a physician-led and physician-driven healthcare organisation, we know what is important to those who matter to us – our patients. Since our inception, quality healthcare and evidence-based medical treatment for our patients have always been our priorities.

At Alliance, we strive to be a next-generation healthcare company that harnesses the power of technology and to provide cost-effective and efficient services for our patients and corporate clients. We believe that technology-driven business provides us with insights into disease trends and healthcare utilisation, which empower us to help our corporate clients and insurance partners to maximise their returns on their health dollar as well as improve the delivery of healthcare.

Since our establishment in 1994, Alliance has grown from a humble clinic into an integrated healthcare organisation that leverages technology to provide a broad suite of healthcare services primarily in Singapore.

At Alliance, keeping our patients healthy and happy is our top priority.

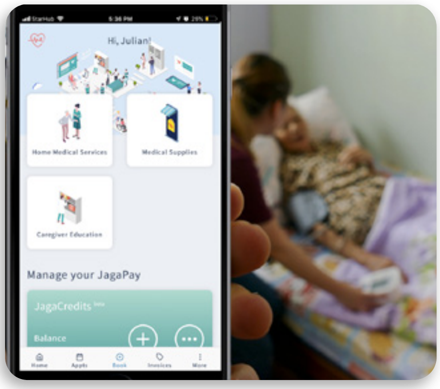
Our Mission

To transform healthcare delivery, making quality care more accessible and affordable to individuals and organisations.

Our Vision

Our vision is to become a leading, integrated and reputable healthcare group which is at the forefront of technological innovations within the healthcare industry.

Jaga-Me



Jaga-Me is a mobile health company. Our purpose is to enable patients to obtain healthcare services comfortably and safely, at home or at the workplace, through the use of our digital platform and specialized care management programs.

Jaga-Me harnesses over 500 skilled professional nurses who render care at home and the workplace. In addition, the platform hosts therapists, doctors, medical equipment and supplies.

Jaga-Me partners with providers and insurers in order to help high-cost and high-risk patients navigate the healthcare system towards the optimal balance of quality of life and cost of care, and counts leading institutions such as SingHealth and National Healthcare Group ("NHG") as some of its partners.

HeyAlly

HeyAlly, Alliance proprietary digital health app, provides users access to services such as ondemand medical advice through tele-consultation, second opinion and a comprehensive panel of medical services. It also comes with an online store which provides access to a range of healthcare and wellness solutions.

We have a team of family doctors, medical specialists, dentists and traditional medicine practitioners from over 700 partner clinics to provide medical services at a preferential rate.

We aim to provide quality and affordable healthcare services that echoes the lifestyle and needs of our patients.

HeyAlly is available for download on Google Play and the Apple App Store.

Milestone
Key Events

1994

Opened the 1st GP clinic under the "Serene Family Clinic" name (now known as "My Family Clinic Tanglin Halt")

1999

Opened GP clinics in Choa Chu Kang and Woodlands under the "My Family Clinic" name

2000

Incorporation of Alliance Medical to consolidate the businesses and operations of the three clinics under the "My Family Clinic" name and to serve as our platform to grow our brand of primary healthcare services in Singapore

2005

Incorporation of Alliance Medinet, marking our entry into the managed healthcare solutions business

2006

Incorporation of the holding company, Alliance Healthcare Group

Appointed by AXA Insurance Pte. Ltd., our first insurance company, to provide them with managed healthcare solutions

2008

Appointed by The Great Eastern Life Assurance Company Limited as their medical network administrator

Incorporation of Alliance Pharm to undertake the wholesale supply of pharmaceutical products and medical supplies to hospitals, pharmacies and clinics in Singapore

2012

Entered into an agreement with Tan Tock Seng Hospital and National University Health System to provide cashless medical services for insured members or policyholders of insurance companies with whom we have entered into arrangements at their specialist outpatient clinics

2013

Singapore Health Services (SingHealth) and Khoo Teck Puat Hospital agreed to provide cashless medical services for such insurance companies

2014

Incorporation of Alliance Specialist Group to provide specialist care services

Acquisition of 100.0% equity interest in Ho Kok Sun Colorectal and Lim Jit Fong Colorectal

Incorporated My ENT Specialist, through which we established our first ENT clinics

2015

We developed and introduced our proprietary IT system, SIMS, to assist insurance companies in their hospital claims management, thereby enabling them to address the challenge of the escalating costs of private hospital admissions

2016

Entered into arrangements with Aviva Ltd, an ISP provider, to provide them with managed healthcare solutions

2018

Acquisition of 100.0% of the shareholding interests in Lee Clinic PL (subsequently renamed "My Family Clinic (Clementi 325)"), and the assets and business of a GP clinic (which was subsequently renamed "My Family Clinic (St George)") operating at St George's Road

Entered into an arrangement with QBE Insurance (Singapore) Pte. Ltd., our eighth insurance company, to provide them with managed healthcare solutions

Awarded HRM Asia's Readers' Choice Award in the "Best Corporate – Healthcare Group" category

Opened specialist clinic, Elite Orthopaedics

2019

Listed on the Catalist
Entered into arrangement with Cigna Europe Insurance Company S.A. - N.V. Singapore Branch and EQ Insurance Company Ltd to provide them with managed healthcare solutions

2020

Acquisition of 55% shareholding interest in Jaga-Me Pte. Ltd. an award-winning digital healthcare platform that enables consumers to use a mobile web application to schedule and pay for clinical services, medical equipment and consumables - which are delivered to a patient in the comfort of their homes.

Won contract to provide managed healthcare solutions to major healthcare institutions including Changi General Hospital, Singapore General Hospital and National Health Group Polyclinics, serving an estimate of more than 80,000 individuals comprising of employees of these healthcare institutions and their dependants.

Entered into exclusive regional collaboration with Inova Care to explore regional health and dental benefit administration opportunities.

Chairman's **Message**

DR. BARRY THNG LIP MONG
Executive Chairman and CEO

The Group's profit before tax increased by approximately S$1.7 million or 139.8% from S$1.3 million in FY2019 to S$3.0 million in FY2020

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to report that the Group achieved a commendable performance in FY2020 despite a challenging macroeconomic environment.

Fiscal Year Performance

The Group's revenue increased by 17.2% from S$36.5 million in FY2019 to S$42.8 million driven by a rise in sales from the Pharmaceutical Services and Specialist Care Services.

Additionally, our new Mobile and Digital Health Services made their maiden contribution to this fiscal year. The increase was partially offset by lower revenue from the Group's Managed Healthcare Solutions and GP Clinics Services.

Managed Healthcare Solutions and GP Clinic Services recorded a decrease in revenue as there were lower patient volumes in the second half of FY2020 since the onset of the COVID-19 pandemic.

Our Specialist Care Services registered a revenue growth of 20.2% year-on-year due to contribution from the new orthopaedic clinic, which commenced operations in December 2018. The increase was partially offset by a decrease in revenue of the Group's specialist clinics during the circuit breaker ("CB") from April to June 2020.

Revenue from Pharmaceutical Services surged almost 69.6% from S$7.2 million in FY2019 to S$12.3 million in FY2020 due to an increase in demand for medical supplies from local hospitals stocking up to anticipate any supply chain disruption.

The Group has extended its service offerings to include a new Mobile and Digital Health Services, with the acquisition of Jaga-Me Pte. Ltd. ("Jaga-Me") and the launch of HeyAlly, our proprietary digital health and telemedicine platform in the fiscal year. This new business segment recorded a revenue of S$1.2 million for the provision of onsite and home-based nursing and medical services, rental of medical equipment, and provision of telemedicine consultations.

Consequently, the Group's profit before tax increased by approximately S$1.7 million or 139.8% from S$1.3 million in FY2019 to S$3.0 million in FY2020. Excluding the effect of IPO-related expenses of S$1.2 million incurred in FY2019, the increase in profit before tax would have been S$0.5 million. The Group achieved a net profit attributable to owners of S$2.3 million during FY2020.

Managed Healthcare to Make A Greater Stride

The Group continues to strengthen our position in the managed healthcare business. We were awarded a contract via a public tender to provide managed healthcare solutions to 38 companies, including public healthcare institutions such as Changi General Hospital, KK Women's and Children's Hospital, Singapore General Hospital and National Health Group Polyclinics. The Group expects to deliver outpatient medical and dental clinic services to more than 80,000 individuals for a period of two years, from January 2020 to December 2021.

During the year, we partnered Inova Care Limited ("Inova") to explore opportunities in the region. Our wholly-owned subsidiary, Alliance MediNet Pte. Ltd. will be tapping on Inova's regional medical and dental network for options to complement its services in regional markets, including Singapore.

Healthcare Digitization Drive

The COVID-19 pandemic has accelerated the adoption of digital healthcare services. With the growing demand, the Group sees the need to build digital healthcare capabilities to deliver exceptional quality care to consumers.

In April 2020, the Group launched HeyAlly, its digital health and telemedicine platform. HeyAlly aims to fulfil the healthcare demands of today's busy and digitally savvy consumers who require a higher degree of convenience and personalisation in health care delivery. Among the other functions, the app provides users access to services such as telemedicine, second opinion, and a comprehensive panel of medical services. It also comes with an online store which offers access to a range of healthcare and wellness solutions, like health screening and vaccination. To date, more than 600 companies have embraced the telemedicine solution.

In September 2020, Alliance Healthcare Pte. Ltd., the Group's wholly-owned subsidiary, signed an agreement with DBS Bank Ltd to collaborate for an initial term of two years to engage in joint marketing activities to promote each other's products, services and platforms. Under the collaboration, Alliance shall initially provide a health and wellness programme via HeyAlly to customers of DBS who purchase an insurance policy.

Mobile Healthcare Capabilities

In January 2020, the Group acquired a 55.0% stake in Jaga-Me, a mobile healthcare company for S$3.5 million. Jaga-Me's proprietary digital platform enables consumers to use a mobile web application to schedule and pay for clinical services, medical equipment and consumables delivered to a patient in the comfort of their homes. Jaga-Me also curates and deploys a network of over five hundred licensed healthcare professionals, with most of these professionals being registered nurses, complemented by therapists and certified caregivers.

This acquisition has allowed the Group to play an integral role during this pandemic. Since the onset of COVID-19, Jaga-Me has been mobilising its network of nurses to provide medical support at dormitories, conducting COVID-19 swab training and performing COVID-19 swab tests onsite. Jaga-Me also has, on 1 July 2020, secured a contract with a leading public cancer institution to provide cancer treatment at patients' homes.

Business Outlook

The Board is mindful of the impact of the economic downturn arising from the COVID-19 on the Group's businesses, in particular its managed healthcare solutions, GP clinics services and specialist care services. The Group will continue to quicken its digital pivot as the Board believes this will strengthen the Group's competitive advantage in an environment where patients are demanding higher levels of convenience and personalization through smartphone technology. The Group will also continue to explore opportunities which will enhance the suite of current medical specialities that the Group provides.

Declared First Dividend

As stated in our Offer Document dated 24 May 2019, we intend to recommend and distribute dividends of not less than 30.0% of our net profits attributable to our shareholders in each of the financial years ending 30 June 2020 and 30 June 2021. We declared our first and final dividend of 0.34 Singapore cents for FY2020, representing a payout ratio of 30%. This dividend declaration reflects the Board's confidence in the strength and quality of our businesses and our appreciation for shareholders' support.

Appreciation

On behalf of the Board of Directors, I would like to express our appreciation to all our shareholders, business associates and partners for their strong support. We are also grateful to the Board of Directors for their invaluable guidance. Most of all, we would like to thank all our employees for working tirelessly and resiliently during this unprecedented period.

BARRY THNG LIP MONG

Executive Chairman & CEO

Alliance Healthcare
Operations and Financial Review

REVIEW OF FINANCIAL PERFORMANCE OF THE GROUP FOR FY2020 COMPARED TO FY2019

REVENUE

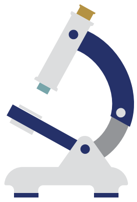
Revenue increased by approximately S$6.3 million or 17.2% from S$36.5 million in FY2019 to S$42.8 million in FY2020.

The increase in revenue was mainly attributable to a significant increase in sales generated by the pharmaceutical services business segment and the maiden revenue contribution from the new mobile and digital health services business segment as well as revenue contribution of a new specialist clinic. These were offset by lower revenue from managed healthcare solutions and GP clinics services business segments which were affected by a decrease in patient volume with the onset of COVID-19 in late January 2020.

The increase in the Group's revenue was a result of the following:

(a) **Managed Healthcare Solutions**
Revenue from managed healthcare solutions business segment decreased by approximately S$0.4 million or 7.0% from S$5.3 million in FY2019 to S$4.9 million in FY2020, mainly as a result of a decrease in gross value of claims processed by the Group due to lower patient volume particularly in the second half of FY2020 due to the effects of COVID-19 pandemic.

(b) **GP Clinics Services**
Revenue from GP clinics services business segment decreased by approximately S$1.1 million or 6.3% from S$16.6 million in FY2019 to S$15.5 million in FY2020, mainly attributable to a decrease in patient visits since the onset of the COVID-19 pandemic.



(c) **Specialist Care Services**
Revenue from specialist care services business segment increased by approximately S$1.5 million or 20.2% from S$7.4 million in FY2019 to S$8.9 million in FY2020, largely due to the revenue contribution of a new orthopaedics clinic which commenced operations in December 2018. This was however offset by a decrease in the revenue of the Group's specialist clinics during the circuit breaker period from April to June 2020 in Singapore when elective procedures and treatments were temporarily suspended and travel restrictions were implemented which reduced the number of overseas patients seeking treatments.

(d) Pharmaceutical Services

Revenue from pharmaceutical services business segment increased by approximately S$5.0 million or 69.6% from S$7.2 million in FY2019 to S$12.3 million in FY2020, largely as a result of an increase in local sales within Singapore of approximately S$4.2 million. The increase in local sales in FY2020 was mainly due to an increase in demand for medical supplies by the local hospitals stocking up in preparation for any supply chain disruption.

(e) Mobile and Digital Health Services

In January 2020, the Company's wholly-owned subsidiary, Alliance Healthcare Pte Ltd, completed its acquisition of a 55% interest in Jaga-Me Pte Ltd ("Jaga-Me") and in April 2020, the Group officially launched its telemedicine platform. Revenue from mobile and digital health services business segment amounted to S$1.2 million in FY2020, mainly attributable to the provision of home care nursing services, rental of medical equipment, and provision of telemedicine consultations and onsite vaccination.

INTEREST INCOME

Interest income was insignificant in FY2020.

OTHER GAINS

Other gains increased by approximately S$1.6 million or 459.5% from S$0.4 million in FY2019 to S$2.0 million in FY2020, mainly as a result of the following:

(i) an increase in the amount of government grant income of approximately S$1.3 million, of which $1.2 million increase was due to the Job Support Scheme and $0.2 million increase was due to GEMS grant to defray the cost of IPO; and

(ii) an increase in other income of S$0.3 million mainly due to rental rebates received from the various landlords during the financial year.

CONSUMABLES AND MEDICAL SUPPLIES USED

Consumables and medical supplies used relates to the Group's GP clinics services, specialist care services and pharmaceutical services business segments. Consumables and medical supplies increased by approximately S$4.1 million or 38.8% from S$10.5 million in FY2019 to S$14.6 million in FY2020, mainly as a result of an increase in medical supplies of approximately S$3.7 million for the pharmaceutical services business segment in line with the increase in its revenue.

EMPLOYEE BENEFITS EXPENSE

Employee benefits expense increased by approximately S$2.5 million or 13.3% from S$18.6 million in FY2019 to S$21.1 million in FY2020, as a result of the following:

(i) an increase of approximately S$0.9 million mainly due to the employee benefits of Jaga-Me, the accounts of which had been consolidated for the six-month period since January 2020;

(ii) an increase of approximately S$1.0 million mainly due to the increase in salaries and defined contribution plan of employees as well as an increase in headcount of employees; and

(iii) an increase in fees incurred in respect of specialist clinics of approximately S$0.6 million.

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense increased by approximately S$1.6 million or 189.5%, from S$0.8 million in FY2019 to S$2.4 million in FY2020, mainly due to the adoption of SFRS(I) 16, which resulted in additional depreciation expense of S$1.5 million for the right-of-use assets in FY2020.

Alliance Healthcare
Operations and Financial Review

OTHER LOSSES

Other losses were insignificant in FY2020 and FY2019.

OTHER EXPENSES

Other expenses decreased by approximately S$2.1 million or 38.2%, from S$5.5 million in FY2019 to S$3.4 million in FY2020, mainly due to the following:

(i) decrease in rental expenses on operating leases of S$1.5 million due to the adoption of SFRS(I) 16; and

(ii) decrease in IPO–related expenses of S$1.2 million,

which were offset by the following:

(a) an increase in legal and professional fee of S$0.1 million mainly due to the legal cost incurred for the acquisition of Jaga-Me;

(b) an increase in continual listing expenses of S$0.1 million;

(c) an increase in sales and marketing expenses of S$0.2 million; and

(d) an increase in computer system and software maintenance of S$0.1 million.

PROFIT BEFORE TAX

As a result of the above, profit before tax increased by approximately S$1.7 million or 139.8% from S$1.3 million in FY2019 to S$3.0 million in FY2020.

Excluding the effect of IPO-related expenses of S$1.2 million incurred in FY2019, the increase in profit before tax would have been S$0.5 million.

The increase in profit before tax was mainly due to the increase in government grant of S$1.3 million and a decrease in IPO expenses of S$1.2 million, partially offset by the decrease in profitability of the managed healthcare solutions business segment and the loss incurred by the new mobile and digital health services business segment.

INCOME TAX

Income tax remained relatively unchanged at approximately S$0.4 million in FY2020 despite the increase in profit before tax as certain income such as that from the Job Support Scheme is not taxable.

PROFIT ATTRIBUTABLE TO OWNERS OF PARENT, NET OF TAX

As a result of the above, net profit attributable to equity holders of the Company increased by approximately S$2.0 million from S$0.3 million in FY2019 to S$2.3 million in FY2020.

REVIEW OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2020

NON-CURRENT ASSETS

Non-current assets increased by approximately S$6.6 million, from S$9.3 million as at 30 June 2019 to S$15.8 million as at 30 June 2020 mainly as a result of an increase in right-of-use assets of S$2.9 million as a result of the adoption of SFRS(I) 16, and the record of intangible assets of non-patented technology and goodwill arising from the acquisition of Jaga-Me of S$0.8 million and S$2.6 million respectively.

CURRENT ASSETS

Current assets increased by approximately S$3.5 million, from S$26.2 million as at 30 June 2019 to S$29.7 million as at 30 June 2020 as a result of increases in inventories of S$1.4 million and cash and cash equivalents of S$2.0 million. Inventories increased by S$1.4 million mainly due to increased business volume of the pharmaceutical services business segment.

SHAREHOLDERS' EQUITY

Shareholders' equity increased by S$3.0 million from S$16.3 million as at 30 June 2019 to S$19.3 million as at 30 June 2020 as a result of an increase in retained earnings of S$2.3 million and an increase in non-controlling interests of S$1.2 million, which were offset by the decrease in other reserves (non-controlling interests) of S$0.5 million.

NON-CURRENT LIABILITIES

Non-current liabilities increased by S$3.0 million from S$4.0 million as at 30 June 2019 to S$7.0 million as at 30 June 2020 mainly due to an increase in loans and borrowings of S$1.5 million as a result of a new loan undertaken for the acquisition of Jaga-Me, an increase in lease liabilities of S$1.4 million with the adoption of SFRS(I) 16, as well as an increase in deferred tax liabilities of S$0.1 million.

CURRENT LIABILITIES

Current liabilities increased by S$4.1 million, from S$15.1 million as at 30 June 2019 to S$19.2 million as at 30 June 2020, mainly due to increases in the following:

(i) income tax payable of S$0.2 million;

(ii) trade and other payables of S$1.4 million;

(iii) current lease liabilities relating to the adoption of SFRS(I) 16 of S$1.6 million; and

(iv) loans and borrowings of S$0.9 million as a result of a new loan undertaken for the acquisition of Jaga-Me.

Trade and other payables increased mainly due to the increase in trade payables and accruals of S$0.5 million, as well as the recognition of the put option liability payable consideration to acquire additional shares in Jaga-Me from certain of the non-controlling interests of Jaga-Me of S$0.9 million.

Trade payables and accruals increased mainly due to an increase in trade payables and accruals relating to the pharmaceutical services segment and mobile and digital health services business segment of S$2.8 million and S$0.4 million respectively, which were offset by the decrease in trade payables and accruals relating to the managed care solutions business segment and GP clinic services business segment of S$3.0 million and S$0.6 million respectively.

REVIEW OF STATEMENT OF CASH FLOW FOR FY2020

The Group generated net cash of S$4.2 million from operating activities in FY2020, mainly due to operating cash flows before changes in the working capital of S$5.4 million, partially offset by net working capital outflows of S$0.9 million and income taxes paid of S$0.3 million. The net working capital outflows was a result of mainly an increase in inventories by S$1.4 million, which was partially offset by an increase in trade and other payables by S$0.4 million.

Net cash flows used in investing activities during FY2020 amounted to S$2.3 million due to the net cash outflow arising from the acquisition of Jaga-Me of S$1.3 million, as well as the purchase of property, plant and equipment of S$1.0 million.

Net cash flows from financing activities amounted to S$0.2 million during FY2020, mainly due to new bank borrowings of S$2.5 million, which were mainly offset by the (i) payment of lease liabilities of S$1.3 million, (ii) repayment of bank borrowings of S$0.6 million, (iii) interest paid of S$0.2 million and (iv) payment of amounts due to related parties of S$0.1 million.

Hey Ally!

PayAlly

Enjoy greater convenience with our secure cashless in-app payment system.

Medication Delivered

After your video-consult, select a delivery time slot and have your prescribed medication delivered to you on the very same day.

AllyTele

No more waiting time at clinics! With AllyTele, you can simply see a doctor without heading down to a physical clinic.

List of **Clinics**

Specialist Clinics

1. **Elite Orthopaedics**
   Mount Elizabeth Medical Centre 3 Mount Elizabeth #12-10 Singapore 228510

   Tel: 6836 8000

2. **Ho Kok Sun Colorectal**
   Mount Elizabeth Medical Centre 3 Mount Elizabeth #12-09 Singapore 228510

   Tel: 6737 2778

3. **Lim Jit Fong Colorectal Centre**
   Gleneagles Medical Centre
   6 Napier Rd, #09-09 Singapore 258499

   Tel: 6476 0181

4. **My Ent Specialist**
   Mount Elizabeth Novena Specialist Centre
   38 Irrawaddy Road, #09-24, Singapore 329563

5. **My Ent Specialis**
   Farrer Park Hospital
   1 Farrer Park Station Road, #10-20 Connexion, Singapore 217562

   Tel: 6397 5280

General Practioner Clinics

1. **My Family Clinic (Anchorvale)**
Blk 326A Anchorvale Road
#01-260
Singapore 541326

Tel: 6702 3963

2. **My Family Clinic (Angsana Breeze @ Yishun)**
Blk 507 Yishun Avenue 4
#01-05
Singapore 760507

Tel: 6753 0178

3. **My Family Clinic (CCK)**
Blk 475 Choa Chu Kang Ave 3
#02-01 Sunshine Place
Singapore 680475

Tel: 6767 4566

4. **My Family Clinic (Clementi)**
Blk 420A Clementi Avenue 1
#01-05 Casa Clementi
Singapore 121420

Tel: 6694 2574

5. **My Family Clinic (Clementi 325)**
Blk 325 Clementi Avenue 5
#01-139
Singapore 120325

Tel: 6778 4608

6. **My Family Clinic (Hougang Central)**
Blk 804 Hougang Central
#01-118
Singapore 530804

Tel: 6385 2117

7. **My Family Clinic (PN)**
Blk 638 Jurong West St 61
#02-09 Pioneer Mall
Singapore 640638

Tel: 6861 1182

8. **My Family Clinic (Punggol Central)**
Blk 301 Punggol Central
#01-02
Singapore 820301

Tel: 6853 7351

9. **My Family Clinic (RV)**
11 Rivervale Crescent
#02-11A Rivervale Mall
Singapore 545082

Tel: 6881 1978

10. **My Family Clinic (Segar)**
Blk 485 Segar Road
#01-508
Singapore 670485

Tel: 6710 7269

11. **My Family Clinic (SJ)**
Blk 628 Senja Road
#01-04 Senja Grande
Singapore 670628

Tel: 6314 0638

12. **My Family Clinic (St George)**
2 St George's Road
Singapore 328023

Tel: 6292 2128

13. **My Family Clinic (TH)**
Blk 46-2 Commonwealth Drive
#01-372
Singapore 140462

Tel: 6473 8920

14. **My Family Clinic (TPY)**
Blk 79D Toa Payoh Central
#01-53
Singapore 314079

Tel: 6238 0301

15. **My Family Clinic (WD)**
Blk 768 Woodlands Ave 6
#02-07 Woodlands Mart
Singapore 730768

Tel: 6884 0658

16. **My Family Clinic (Woodlands Glen)**
Blk 573 Woodlands Drive 16
#01-09
Woodlands Glen
Singapore 730573

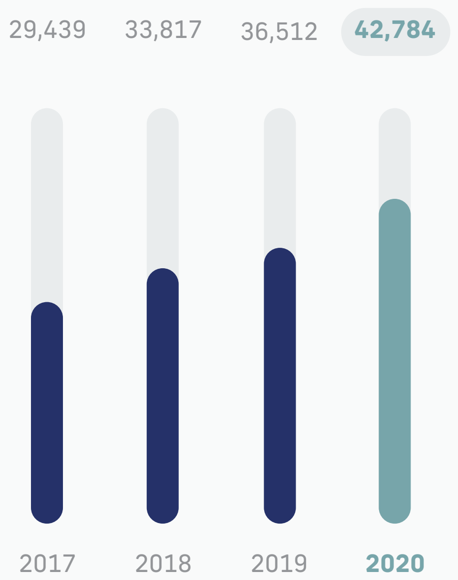
Tel: 6732 1520

Hey Ally!

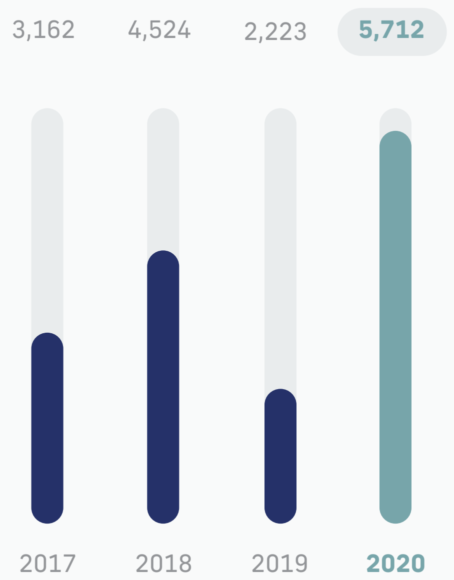
Consult a doctor from home with Ally Tele or tap on our islandwide clinic network at preferential rates as an Ally Member.

Financial
Highlights

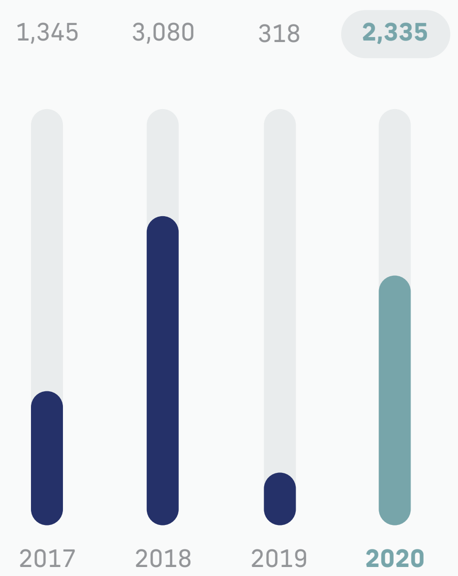
Revenue
(S$'ooo)



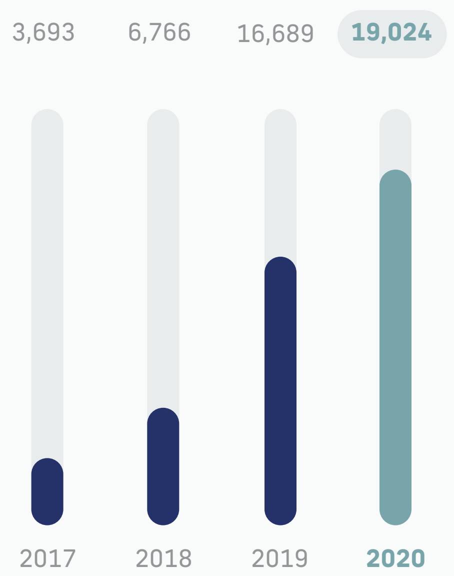
Earnings before interest, tax, depreciation and amortisation



Profit attributable to owners of the parent, net of tax
(S$'ooo)



Equity, attributable to owners of the parent
(S$'ooo)



Corporate **Structure**

ALLIANCE HEALTHCARE GROUP LIMITED ("AHG")

ALLIANCE MEDICAL GROUP PTE LTD ("AMG") AHG owns 100%

- MY FAMILY CLINIC (CCK) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (TH) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (WD) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (RV) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (PN) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (SJ) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (TPY) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (PUNGGOL CENTRAL) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (HOUGANG CENTRAL) PTE. LTD. AMG owns 75%
- ALLIANCE HEALTH INVESTMENTS PTE. LTD. ("AHI") AMG owns 75%
  - MY FAMILY CLINIC (CLEMENTI) PTE. LTD. AHI owns 70%
  - MY FAMILY CLINIC (SEGAR) PTE. LTD. AHI owns 100%
  - MY FAMILY CLINIC (ANCHORVALE) PTE. LTD. AHI owns 60%
  - MY FAMILY CLINIC (PUNGGOL WATERWAY TERRACE) PTE. LTD. AHI owns 100%
- MY FAMILY CLINIC (ANGSANA BREEZE @ YISHUN) PTE. LTD. AMG owns 60%
- MY FAMILY CLINIC (CLEMENTI 325) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (ST GEORGE) PTE. LTD. AMG owns 100%
- MY FAMILY CLINIC (WOODLANDS GLEN) PTE. LTD. AMG owns 100%
- MY CORPORATE CLINIC PTE. LTD. AMG owns 100%

ALLIANCE PHARM PTE. LTD. AHG owns 100%

ALLIANCE MEDINET PTE. LTD. ("AMN") AHG owns 100%

- ALLIANCE MEDINET (M) SDN. BHD. AMN owns 100%

ALLIANCE HEALTHCARE PTE. LTD. ("AHC") AHG owns 100%

- JAGA-ME PTE. LTD. AHC owns 55%

ALLIANCE SPECIALIST GROUP PTE. LTD. ("ASG") AHG owns 100%

- HO KOK SUN COLORECTAL PTE. LTD. ASG owns 100%
- LIM JIT FONG COLORECTAL CENTRE PTE. LTD. ASG owns 100%
- MY ENT SPECIALIST PTE. LTD. ASG owns 100%
- ELITE ORTHOPAEDICS PTE. LTD. ASG owns 51%

Jaga-Me!

Caregiving Service

Licensed nurses and trained caregivers provide professional care for your loved ones at home.

Home Doctor

Get the medical attention you need with certified medical doctors from the comfort of your home.

Board of
Directors

Dr. Barry Thng Lip Mong
Executive Chairman and CEO

Dr. Barry Thng Lip Mong is our Executive Chairman and CEO and was appointed to our Board on 6 June 2006.

He is a founder of our Group and is responsible for the overall business and strategic direction of our Group. As Head of the GP Clinic Services business segment, Dr. Thng also oversees the strategic direction and day-to-day management of this segment. Dr. Thng also practise part time as a family physician at our subsidiary, My Family Clinic (CCK) Pte. Ltd. with a focus on family medicine.

Dr. Thng graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1991 and obtained a Master of Medicine (Family Medicine) from the National University of Singapore in 1998. He also received a Graduate Diploma in Family Practice Dermatology from the National University of Singapore in 2000. Dr. Thng has been a fellow of the College of Family Physicians, Singapore and the Academy of Medicine, Singapore since 2002 and 2014, respectively.

Dr. Mok Kan Hwei, Paul
Executive Director

Dr. Mok Kan Hwei, Paul is our Executive Director and was appointed to our Board on 28 March 2019.

He assists Dr. Thng with the overall corporate strategy and strategic planning of our Group and oversees the specialist care services business segment of our Group. As Head of the Specialist Care Services business segment, Dr. Mok also oversees the strategic direction and day-to-day management of this segment. Dr. Mok is also the Medical Director of our subsidiary, My ENT Specialist Pte. Ltd..

Dr. Mok graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1991. He obtained a Diploma of Fellowship from the Royal College of Surgeons and Physicians of Glasgow in 1997.

Mr. Wong Hin Sun, Eugene

Lead Independent Director

Mr. Wong Hin Sun, Eugene is our Lead Independent Director and was appointed to our Board on 28 March 2019.

He founded Sirius Venture Capital Pte. Ltd., a venture investment company, in September 2002, and has been its managing director since its incorporation. He is currently non-executive Chairman of CrimsonLogic Pte Ltd, and non-executive Chairman of NTUC Learninghub Pte Ltd. He is also non executive Vice-Chairman of Japan Foods Holding Ltd and independent director of APAC Realty Limited and non executive director of Jason Marine Group Limited. He sits on the board of Singapore Cruise Centre Pte Ltd.

Mr. Wong graduated from the National University of Singapore with a bachelor of business administration (first-class honours) in 1992, and obtained a master of business administration from the Imperial College of Science, Technology and Medicine at the University of London in 1998. In 2011, Mr Wong completed the Owners President Management Program from the Harvard Business School. He has been qualified as a Chartered Financial Analyst (CFA) since 2001. He is a Fellow of the Singapore Institute of Directors (SID), UK Institute of Directors (IoD), Australia Institute of Company Directors (AICD) and a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers, Singapore.

Mr. Lim Heng Chong Benny

Independent Director

Mr. Lim Heng Chong Benny is our Independent Director and was appointed to our Board on 28 March 2019.

Mr. Lim has been in legal practice in Singapore as an Advocate and Solicitor of the Supreme Court of Singapore since 1997. He is currently a partner of Chris Chong and C T HO LLP where he focuses his practice on fund management and investment advisory matters, financial services regulatory compliance as well as the structuring and establishment of Singapore and offshore funds. His other main areas of practice include corporate finance, mergers and acquisitions, cross-border joint ventures and investments, and regulatory compliance for listed companies and registered charities.

Mr. Lim graduated from the National University of Singapore with a Bachelor of Laws in 1996 and obtained a Master of Laws from the National University of Singapore in 2000.

Dr. Leong Peng Kheong Adrian Francis

Independent Director

Dr. Leong Peng Kheong Adrian Francis is our Independent Director and was appointed to our Board on 27 February 2019.

He is currently a director of AFL Consulting Pte. Ltd., a company which he founded in 2012 and which provides consultancy services to the healthcare industry.

Dr. Leong has more than 35 years of experience in the medical industry.

Dr. Leong graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1983 and obtained a Master of Medicine (Surgery) in 1988.

Key **Management**

MS. NEO LAY FEN
Chief Financial Officer

Ms. Neo Lay Fen joined the Group in February 2018 and is responsible for overseeing the financial matters and corporate affairs of our Group. Prior to joining our Group, she has worked with Ernst & Young LLP and other companies.

Ms. Neo holds a Bachelor of Accountancy (Hons) from Nanyang Technological University and has been a member of the Institute of Singapore Chartered Accountants since 2007.

MS. JENNY OH
Chief Operating Officer

Ms. Jenny Oh joined our Group in January 2019 and overseas and manages the operations of our Group. Prior to joining our Group, she has worked with various insurers holding senior management positions, gaining deep experience in the insurance industry.

Ms. Oh holds a Bachelor of Business from Monash University.

MS. ONG KAI KOON, KAREN
Head of Managed Healthcare Solutions
Executive Vice-President of Alliance Medinet

Ms. Ong Kai Koon, Karen has been with our Group since 2017 and is responsible for overseeing our Group's Managed Healthcare business unit and operations. Prior to joining our Group, she was with various corporate solution providers holding senior management position.

Ms. Ong holds a Diploma in Marketing Management from the Management Development Institute of Singapore and a Certificate in Health Insurance Examination from Singapore College of Insurance.

MR. WONG CHIEN YEH
Head of Pharmaceutical Services

Mr. Wong Chien Yeh has been with our Group since 2008 and is responsible for overseeing the pharmaceutical services business unit of our Group. Prior to joining our Group, Mr. Wong has worked with other pharmacies as well as pharmaceutical trading company.

Mr. Wong is a Registered Pharmacist and holds a Bachelor of Science (Pharmacy) from the National University of Singapore.

Financial **Contents**

Sustainability **Report**

1. BOARD STATEMENT

We reaffirm our commitment to sustainability with the publication of our first sustainability report ("Report"). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("ESG") factors and economic performance.

We are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future of our Group. In line with our commitment, the Board having considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

A sustainability policy ("SR Policy") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material ESG factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material ESG factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Since our successful initial public offer on Singapore Exchange Securities Trading Limited ("SGX-ST"), we have embarked on various initiatives to strengthen our economic agility. Such initiatives include stepping up on the use of technology through the acquisition of award winning home healthcare company Jaga-Me Pte. Ltd. ("Jaga-Me") to provide right-siting in medical services and launching our telemedicine platform HeyAlly for contactless healthcare solutions. In addition, our new collaboration with Inova Care aims to expand our cashless managed healthcare service coverage for our clients regionally. These projects and collaborations will play a pivotal role in expanding our holistic patient care delivery through a scalable digital platform, mobile health capabilities and extensive regional network.

The Coronavirus disease 2019 ("COVID-19" or "Pandemic") is expected to have an impact on our Group and our key stakeholders including customers, employees, communities and shareholders. We have detailed the measures taken to address the impact of the Pandemic in the relevant sections of this Report. Nonetheless, we believe that our pro-active business initiatives and operational track record will tide us through this challenging period and allow us to stay on course in our sustainability journey.

A summary of our sustainability performance in FY2020 is as follows:

S/N	Material factor	Sustainability performance
General disclosure		
1	Quality healthcare and customer experience	• Information technology is widely adopted to deliver our healthcare solutions in a more efficient and cost-effective manner • We provide a wide and diverse network of service providers for our patients and corporate clients
Social		
2	Commitment to data privacy and cybersecurity	No reported substantiated complaints[1] concerning breaches of data privacy and losses of personal data
3	Commitment to product quality and safety	We operate under a wholesaler's license issued by Health Sciences Authority ("HSA") under the Health Product Act ("HPA")
4	Equality and diversity in the workplace	• 76% of all employees and 41% of managers are females • 38% of all employees are at least 40 years old
5	Employee training and development	Training programs covering technical knowledge to services standards are in place to equip our employees with the right capabilities
6	Ongoing community engagement	We initiate various campaigns to help the communities

[1] A substantiated complaint refers to a complaint that has been investigated by the Personal Data Protection Commission and violation of regulations has been established.

S/N	Material factor	Sustainability performance
Environmental		
7	Responsible waste management	No reported non-compliance incidents with environmental laws and/or regulations which resulted in significant monetary fines[2], non-monetary sanctions or cases brought through dispute resolution mechanism for non-compliance
Economic		
8	Sustainable business performance	• Recorded a revenue of SGD 42.8 million • Generated SGD 2.3 million net profit for the period attributable to our equity holders • Net cash inflow of SGD 4.2 million from operating activities
Governance		
9	Robust corporate governance framework	No serious offence[3] complaints are reported

2. REPORTING FRAMEWORK AND MARKET BENCHMARKING

This Report has been prepared in accordance with the GRI Standards: Core option and published pursuant to Rule 711A and Rule 711B of the SGX-ST Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. We have chosen to report using GRI Standards: Core option as it is an internationally recognised reporting framework.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015 ("UN Sustainability Agenda"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals ("SDGs"), which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDGs, where applicable, as a supporting framework to shape and guide our sustainability strategy.

3. REPORTING PERIOD AND SCOPE

This Report is applicable for our financial year from 1 July 2019 to 30 June 2020 ("FY2020" or "Reporting Period"). A sustainability report will be published annually thereafter in accordance with our SR Policy.

This Report covers the following business segments within our Group which contributed to all our revenue for the Reporting Period:

- General Practitioner ("GP") clinic services
- Specialist care services
- Pharmaceutical services
- Managed healthcare solutions
- Mobile and digital health services

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2 Significant monetary fines refer to those in excess of SGD 10,000.

3 "A serious offence" means a serious offence involving fraud or dishonesty as defined in Section 207(9D) of the Companies Act (Cap. 50), which is being or has been committed against the company by its officers or employees, being (a) an offence that is punishable by imprisonment for a term that is not less than 2 years; and (b) the value of the property obtained or likely to be obtained from the commission of such an offence is not less than $100,000.

4. FEEDBACK

We welcome feedback from all stakeholders on this Report and a dedicated feedback form has been set up for this purpose ("SR Feedback Form"). The SR Feedback Form can be found on our website at https://www.alliancehealthcare.\com.sg/investor-relations/. Alternatively, you may send the related questions, comments or suggestions to our investor relations email account: investor.relations@alliancehealthcare.com.sg.

5. STAKEHOLDER ENGAGEMENT

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers comprising patients and corporate clients, employees, insurance partners, medical service providers, regulators, shareholders and suppliers. Key stakeholders are determined for each material factor identified, based on the extent of which they can affect or are affected by our operations.

We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Expectation
1	Communities	Community campaigns	Ongoing	• Social inclusion • Environmental compliance
2	Customers comprising patients and corporate clients	• Face-to-face care • Phone calls • Website • Survey form • Site visits and meetings • Emails	Daily	• Quality patient care • Wide selection of professional and reliable medical services providers • Clean and safe environment • Good customer service • Prompt response for enquiries and feedback
3	Employees	• Staff assessments	Yearly	• Equal employment opportunity • Workplace safety and health • Job security and remuneration
		• Emails • Staff meetings	Daily	
4	Insurance partners	• Site visits and meetings • Phone calls • Emails	Daily	• Quality patient care • Good customer service • Timely and accurate claim processing • Prompt response for enquiries and feedback
5	Medical service providers	• Site visits and meetings • Phone calls • Emails	Daily	• Good customer service • Timely and accurate claim processing • Prompt response for enquiries and feedback
6	Regulators	Consultations and briefings organised by key regulatory bodies	As and when required	Corporate governance
7	Shareholders	• Group annual report • Annual general Meeting • SR Feedback Form	Annually	• Sustainable business performance • Market valuation • Dividend payment • Corporate governance
		• Group result announcements	Half-yearly	
8	Suppliers	• Site visits and meetings • Phone calls • Emails	Daily	Demand volatility (applicable for pharmaceutical services)

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

Sustainability
Report

6. POLICY, PRACTICE AND PERFORMANCE REPORTING

6.1 Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. Our Group's Sustainability Committee, which includes senior management executives, is led by the Executive Chairman cum Chief Executive Officer ("CEO"), and tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report. Our Group's Sustainability Committee comprises of Dr. Barry Thng Lip Mong, our Executive Chairman cum CEO, Dr. Mok Kan Hwei, Paul, our Executive Director, Ms. Jenny Oh, our Chief Operating Officer, and Ms. Neo Lay Fen, our Chief Financial Officer.

6.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated. The end result of this process is a list of material factors disclosed in this Report. Processes involved are as shown in the chart below:

IDENTIFICATION

Identification of the material factors that are relevant to our Group's activities and data points for performance reporting

Prioritisation of the material factors and identification of key sustainability factors to be reported

PRIORITISATION

VALIDATION

Validation involves the verification of information and data gathered on material factors and to perform an assessment on the completeness of key sustainability factors to finalise the sustainability report content

Monitor, review and update our material factors from the previous reporting period, taking into account the feedback received from engagement with stakeholders as well as organisational and external developments

REVIEW

6.3 Materiality assessment

Under our SR Policy, each sustainability factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
I	High	Factors with high reporting priority are reported on in detail.
II	Medium	Factors with medium reporting priority are considered for inclusion in the Report. They may not be included in this Report if not material.
III	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

The reporting priority is supported by a material factor matrix which considers the level of concern to our stakeholders ("Stakeholders' Concern") and significance of our impacts on the economy, environment and society ("Business Impact").

6.4 Performance tracking and reporting

We track the progress of our material sustainability factors by identifying the relevant data points (i.e. the information source of the relevant factor) and measuring them. In addition, performance targets that are aligned with our strategy will be set to ensure that we maintain the right course in our path to sustainability. We also consistently enhance our performance-monitoring processes and improve our data capture systems.

7. MATERIAL FACTORS

Our materiality assessment performed for FY2020 involved our senior management in identifying sustainability factors deemed material to our businesses and our stakeholders so as to allow us to channel our resources judiciously to create sustainable value for our stakeholders.

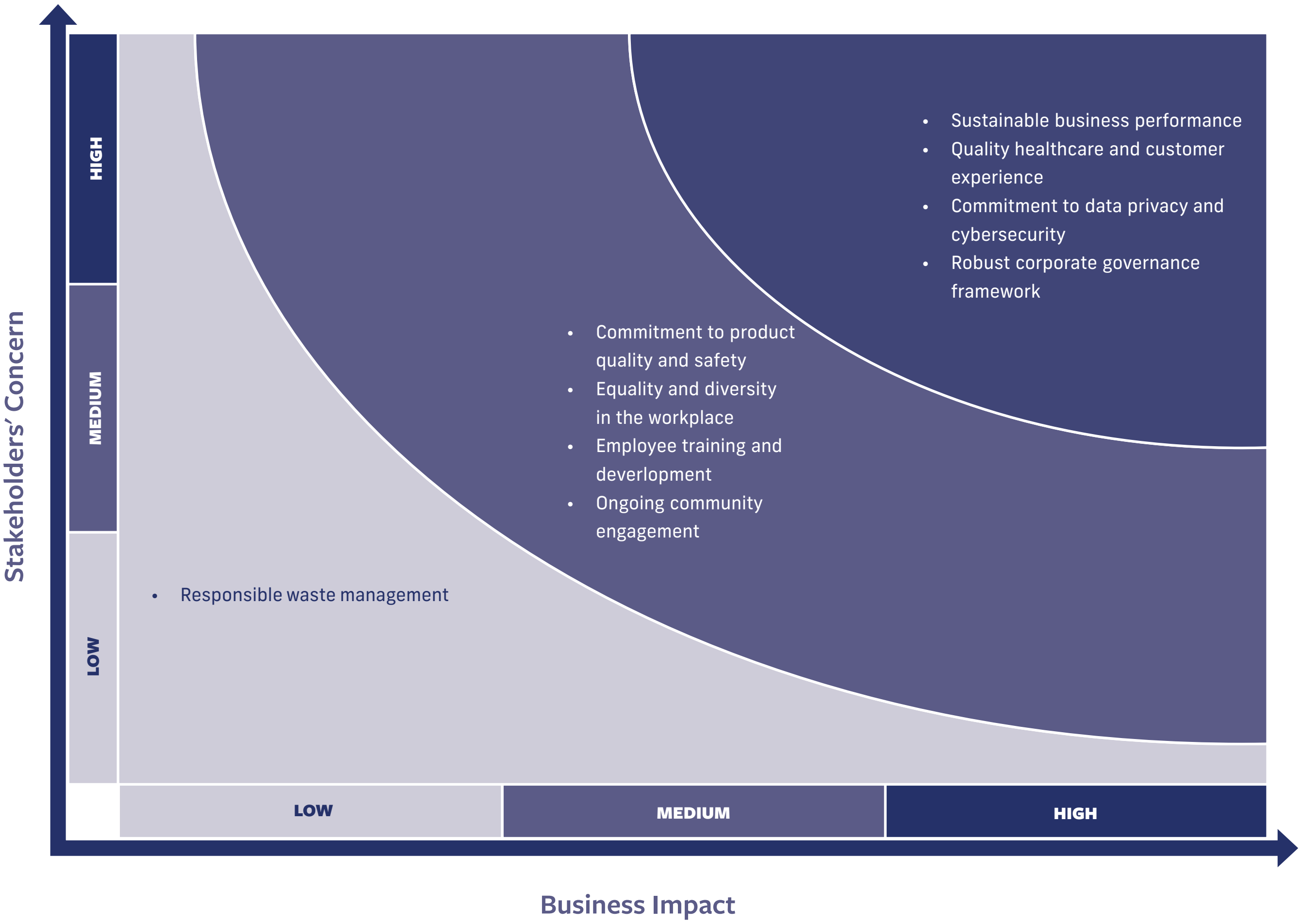
Presented below are a list of material sustainability factors and material factor matrix applicable to our Group:

S/N	Material factor	SDG	Reporting priority	Key stakeholder
General disclosure				
1	Quality healthcare and customer experience	Decent work and economic growth	I	• Customers • Insurance partners • Medical service providers
Social				
2	Commitment to data privacy and cybersecurity	Peace, justice and strong institutions	I	• Customers • Regulators
3	Commitment to product quality and safety	Peace, justice and strong institutions	II	Suppliers
4	Equality and diversity in the workplace	Reduced inequalities	II	Employees
5	Employee training and development	Quality education	II	Employees
6	Ongoing community engagement	-	II	Communities

Sustainability **Report**

S/N	Material factor	SDG	Reporting priority	Key stakeholder
Environmental				
7	Responsible waste management	Responsible consumption and production	III	• Communities • Regulators
Economic				
8	Sustainable business performance	Decent work and economic growth	I	Shareholders
Governance				
9	Robust corporate governance framework	Peace, justice and strong institutions	I	• Shareholders • Regulators

Material factor matrix



Sustainability **Report**

We will update the material factors on an annual basis to reflect changes in business operations, environment, stakeholder's feedback and sustainability trends. The details of each material sustainability factor are presented as follows:

7.1 Quality healthcare and customer experience

Our mission is to transform healthcare delivery, make quality care more accessible and affordable to individuals and organisations. We adopt the following strategies to fulfil this mission:

<u>Continuous innovation to deliver healthcare solutions</u>
Information technology ("IT") is widely adopted within our Group to deliver service offering to patients and corporate clients in a more efficient and cost-effective manner as follows:

- Our managed healthcare solutions segment is supported by various proprietary IT systems, including MEDINET, Specialist Inpatient Management System ("SIMS"), Specialist Appointment Request System ("ARS") and our mobile application, Alliance iCare (collectively referred to as "Medinet IT platforms"). These Medinet IT platforms enable the provision of end-to-end seamless healthcare solutions to our stakeholders comprising corporations, their employees, insurance companies and medical services providers.

- Our recently acquired 55% subsidiary, Jaga-Me, operates a proprietary digital platform that allows consumers to use a mobile web application to schedule and pay for clinical services, medical equipment and consumables. The digital platform also allows a network of over 500 licensed healthcare professionals to collaborate remotely with Jaga-Me by providing secured access to health data, clinical reports and clinical workflows, in order to deliver personalised care to multiple patients simultaneously, nation-wide.

- Our AllyCare programme was launched in February 2020 via HeyAlly mobile application to provide patients with access to medical care for acute and chronic conditions, medical advisory and second medical opinion through telemedicine. Should the patients require a face-to-face consultation at the clinic, the patients can get access to Alliance Healthcare network easily by locating it through the HeyAlly application. What made our telemedicine unique is, it supports telecollaboration for us to provide good chronic disease care management by our doctors and nurse practitioners through both physical and teleconsultation. Against the backdrop of the Pandemic, the HeyAlly application enables patients to access quality healthcare in the comfort and safety of their own homes without being exposed to the risk of infections at the clinics.

<u>Harnessing synergies between business units to deliver affordable healthcare services</u>
With our capability in sourcing and distribution under the pharmaceutical service business, we are able to secure products at market-competitive prices and thus provide affordable healthcare services to the patients of our GP clinics and specialist care services segments.

For our insurance partners and corporate clients, synergies between the managed healthcare solutions segment and Jaga-Me have resulted in differentiated and cost-effective solutions for medical needs such as hospitalisation, critical illness care, and chronic care - further strengthening our product portfolio and competitive advantage in an environment where patients are demanding higher level of convenience and personalisation through smartphone technology.

<u>Provide a wide and diverse network of service providers for our patients and corporate clients</u>
As one of the major players in the managed healthcare industry, we are consistently increasing the number of medical services providers and broadening our suite of medical specialties.

The acquisition of Jaga-Me added a network of over 500 licensed healthcare professionals, with the majority of these professionals being registered nurses, complemented by therapists and certified caregivers.

The collaboration with Inova Care is a significant milestone in our aspiration to provide customers with a wide and extensive network coverage for cashless treatments at over 1,000 clinics in Singapore as well as over 5,000 medical facilities in Southeast Asia.

We own and operate an established network of 16 GP Clinics in Singapore and is considered one of the largest chain of family clinics operating in the heartlands[4] of Singapore. In addition, we also own and operate five clinics in Singapore providing Specialist Care Services in the specialities of orthopaedic care, colorectal, ear, nose and throat.

Proactively gather feedback to enhance service quality
We place a great emphasis on delivering quality personalised care for our patients. Our patients can provide feedback to us through our website. Feedback from our patients is collated and evaluated by our service quality team. A panel relations team is in place to review and monitor the clinical quality and service quality of our panel of medical services providers, conduct service audits and investigate complaints made.

7.2 Commitment to data privacy and cybersecurity

Data privacy is of utmost importance to us as our business is required to handle, store and manage personal information pertaining to our patients, as well as transmit personal, confidential and proprietary information, such as customers' credit card details, over public networks.

In Singapore, we are required to abide by the Personal Data Protection Act ("PDPA"), which comprises various rules governing the collection, use, disclosure and care of personal information.

We adopt the following strategies to protect personal information:

Proactive management of personal data
In line with our commitment to data privacy, we have implemented the following measures:

- Set up internal rules requiring our employees to maintain strict confidentiality of medical and personal information gathered in the course of our operations.

- The email address of our data protection officer is published on the company's website to provide an avenue for reporting data breaches and answering of enquiries, as well as for updating and deleting personal data.

Implement cybersecurity measures to protect our data
To protect our proprietary platforms and safeguard customer privacy, all our proprietary IT systems are developed based on a three-tier infrastructure, with each tier equipped with its own firewall protocols and antivirus software. Third party access to our network is protected by cybersecurity controls such as intrusion detection and protection measures such as IP whitelisting. On a regular basis, we also conduct patch management based on the updates provided by our external IT system vendors. Our sensitive data is stored at an external data centre maintained by a reputable service provider.

During the Reporting Period, there are no reported substantiated complaints[5] concerning breaches of data privacy and losses of personal data.

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[4] Heartlands in Singapore generally refer to public residential estates

[5] A substantiated complaint refers to a complaint that has been investigated by the Personal Data Protection Commission and violation of regulations has been established.

7.3 Commitment to product quality and safety

We are committed to deliver quality and safe products to our customers as we distribute pharmaceutical products to hospitals, pharmacies and clinics in Singapore and other overseas markets under our pharmaceutical services segment.

Key measures adopted to manage product quality and safety are as follows:

<u>Adoption of market standards</u>
We operate under a wholesaler's license issued by HSA under the HPA. As a licensed wholesaler, we are required to ensure that all our health products distributed in Singapore meet the required standards on safety, quality and efficacy. To meet the required standards, we have implemented a quality management system that is designed to meet the requirements of the Guidance Notes on Good Distribution Practice (the "Guidance Notes") issued by the HSA to ensure that our products are properly stored, handled and transported.

<u>Implementation of standard operating procedures</u>
We have also put in place stringent procedures to ensure that the products are properly handled, stored, transported and in compliance with the requirements of the HSA.

7.4 Equality and diversity in the workplace

To develop our people, we strive to provide a work environment that fosters fairness, equity and respect for social and cultural diversity, regardless of their gender and age. Accordingly, we are committed to the goals of diversity and equal opportunity in employment. The total number of full-time employees in our Group as at 30 June 2020 is 201.

For gender diversity, 76% of our workforce is made up of female employees whilst the percentage of female managers is approximately 41% of total managers.

Matured workers are valued in our Group for their experience, knowledge and skills. As at 30 June 2020, 38% of our workforce is at least 40 years old.

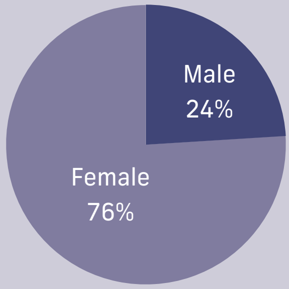
To promote equal opportunity, we established various human resource related processes as follows:

- A human resource policy is in place to select employees based on merit and competency

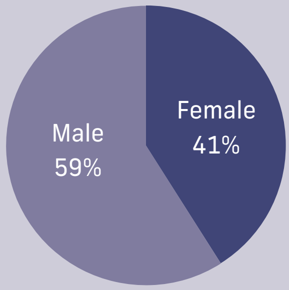
- Staff recruitment advertisements do not state age, race, gender or religion preferences as requirement

- Staff assessment is performed regularly to evaluate the performance of employees and their remuneration is adjusted where justifiable

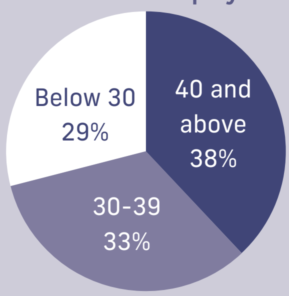
Gender diversity
(Total number of employees: 201)



Gender diversity
(Total number of managers: 58)



Age diversity
(Total number of employees: 201)



Sustainability **Report**

7.5 Employee training and development

We place a high priority on the competency development of our employees as we believe that well trained employees are vital to the long-term success of any business.

Under the Continuing Medical Education Programme administered by the Singapore Medical Council (of which we are an accredited member), medical practitioners in Singapore are required to continually upgrade their knowledge and skills in order to maintain their competency to practise. Our medical specialists are encouraged to attend workshops and seminars both locally and overseas to keep abreast of developments in the medical sector and their areas of specialty.

On a quarterly basis, we conduct in-house continuing medical education for doctors operating the “My Family” Clinics. They are also required to undergo orientation to familiarise themselves with our corporate vision, service standards, policies and procedures.

Staff assessments are performed regularly to evaluate the performance of employees and this helps to encourage them to take self-initiated enrichment actions to improve themselves.

In view of the Pandemic and that our medical practitioners are on the frontline of the Pandemic, we raise our employees’ awareness of the Pandemic by practicing a stringent infection protocols to prevent person-to-person contamination, such as providing proper guidance for our medical practitioners on the use of personal protective equipment and introducing requirements to keep records of the contact details of patients to facilitate contact tracing.

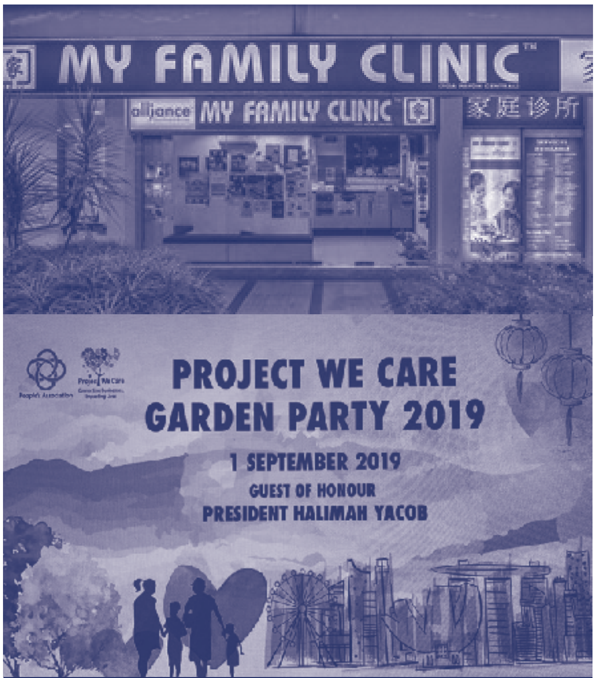
7.6 Ongoing community engagement

We strive to set a good example and encourage our employees to embrace the spirit of giving as we recognise that the long-term success of our business is closely related to the health and prosperity of the community which we operate in. During the Reporting Period, we engaged in the following initiatives to help the communities:

<u>Participation in the Public Heath Preparedness Clinic (“PHPC”) scheme</u>
As part of serving and engaging the community at large, all our GP clinics are designated as PHPC to support the nation’s response to various public health emergencies such as the influenza pandemic, haze, anthrax outbreak and the Pandemic. The general function of the PHPC is to serve the primary healthcare needs of Singaporeans in times of national need.

<u>Project We Care Garden Party @ Istana</u>
We participated in the Project We Care Befriending Programme and chartered a bus to bring over 30 beneficiaries and volunteers for the event. Our employees also volunteered their time in managing activity booths to create a fun carnival style event that bring joy to the vulnerable communities.

The day was filled with warmth and gratitude as we interacted with the beneficiaries personally. We will continue to do good towards achieving a more caring and inclusive society.



A well-spent day at The Istana for the People’s Association Project We Care Garden Party with President Halimah Yacob as the Guest-of-Honour.

Sustainability **Report**

<u>Alliance Healthcare Group 25th Anniversary Charity GALA</u>
At our 25th anniversary, we celebrated this special occasion with a Charity GALA. During the event, we engaged our employees in corporate social responsibility ("CSR") through raising funds for our CSR outreach activities in which we matched the donations contributed by our staff.

Through the event, we also demonstrated our commitment to social inclusion by promoting and showing the works of the differently abled artists, in collaboration with The Art Faculty[6].

<u>Kindness Mart</u>
In collaboration with Kindness Mart Pte Ltd - a social enterprise, we spent a lovely day with the disadvantaged lower-income families and elderlies. We distributed goody bags filled with necessities to extend our support to the less fortunate.

7.7 Responsible waste management

We believe that responsible waste management helps to preserve the environment in which we operate in. Accordingly, we are committed to improve the management of waste generated in operations.

Our businesses are subject to various environmental laws and regulations on proper disposal of medical waste. We have established internal policies and implemented systems designed to comply with such requirements, including guidelines in relation to the handling of equipment, needle-sticks, sharp objects and medical wastes.

During the Reporting Period, there are no reported non-compliance incidents with environmental laws and/ or regulations which resulted in significant monetary fines[7], non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance.

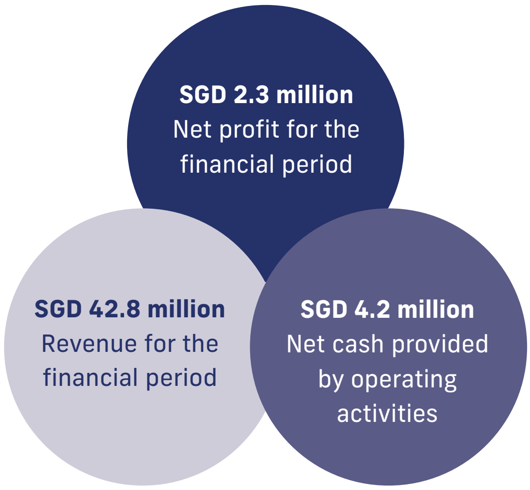
7.8 Sustainable business performance

We believe in creating long-term economic value for shareholders by striking a balance between rewarding shareholders by way of consistent profits, dividend payments and maintaining a robust balance sheet with strong operating cash flows.

In FY2020, our Group recorded revenue of SGD 42.8 million (FY2019: SGD 36.5 million). We generated SGD 2.3 million (FY2019: SGD 0.3 million) net profit for the period attributable to our equity holders and net cash inflow of SGD 4.2 million (FY2019: SGD 2.9 million) from operating activities.

To address the impact from the Pandemic, we have taken measures to be more cost efficient in the conduct of our business.

Details of our Group's economic performance can be found in the financial contents and audited financial statements of this Annual Report.



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6 The Art Faculty is a platform that collaborates with brands, retailers, organisations, social enterprises and art practitioners to showcase the talents of artists with special needs.

7 Significant monetary fines refer to those in excess of SGD 10,000.

7.9 Robust corporate governance framework

We are committed to high standards of corporate governance and believe that a high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interests and maximising long-term shareholder's value.

We have a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. In FY2020, no serious offence[8] complaints are received or reported via the whistle blowing channel.

Refer to the Corporate Governance Statement of the Annual Report for details for our corporate governance practices.

8 TARGET SETTING

Given that this is our inaugural report, we are in the process of compiling a trend of key related data to develop quantitative targets where practicable. Accordingly, we have set targets for FY2021 as follows:

S/N	Material factor	Target for FY2021
1	Quality healthcare and customer experience	Maintain or improve market presence subject to market conditions
2	Commitment to data privacy and cybersecurity	Maintain zero incident of substantiated complaint[9] concerning breaches of data privacy and losses of personal data
3	Commitment to product quality and safety	Maintain our wholesaler's license issued by the HSA
4	Equality and diversity in the workplace	Move towards a more balanced or maintain existing gender and age diversity ratios
5	Employee training and development	Continuously identify opportunities to upskill workforce
6	Ongoing community engagement	Initiate community engagement campaigns
7	Responsible waste management	Maintain zero incident of non-compliance incident with environmental laws and/ or regulations which resulted in significant monetary fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance
8	Sustainable business performance	Improve or maintain our financial performance subject to market conditions
9	Robust corporate governance framework	Maintain high standards of corporate governance and transparency

[8] "A serious offence" means a serious offence involving fraud or dishonesty as defined in Section 207(9D) of the Companies Act (Cap. 50), which is being or has been committed against the company by its officers or employees, being (a) an offence that is punishable by imprisonment for a term that is not less than 2 years; and (b) the value of the property obtained or likely to be obtained from the commission of such an offence is not less than $100,000.

[9] A substantiated complaint refers to a complaint that has been investigated by the Personal Data Protection Commission and violation of regulations has been established.

9 SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our sustainability factors relate to these SDGs:

	SDG	Our effort (SR factor)
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities	We empower our employees by investing in training, education and development to enhance our business competencies (Section 7.5 Employee training and development)
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• We place a heavy emphasis on quality healthcare and customer experience as part of our strategy for the continued success of our business. (Section 7.1 Quality healthcare and customer experience) • We contribute to economic growth through creating long-term value for our stakeholders. (Section 7.8 Sustainable business performance)
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	• We ensure equal opportunity for all regardless of age and gender, by establishing various human resource related policies and processes to facilitate the achievement of this target. (Section 7.4 Equality and diversity in the workplace)
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensures sustainable consumption and production patterns	• We manage and dispose our medical waste responsibly in compliance with the applicable health and safety standards (Section 7.7 Responsible waste management)
16 PEACE AND JUSTICE STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• We maintain commercially reasonable physical, electronic and procedural safeguards to protect personal data in accordance with the applicable requirements of data protection legislation. (Section 7.2 Commitment to data privacy and cybersecurity) • We ensure that our pharmaceutical products meet necessary quality and safety standards. (Section 7.3 Commitment to product quality and safety) • We are committed to high standards of corporate governance and believe that a high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interests and maximising long-term shareholder's value. (Section 7.9 Robust corporate governance framework)

Sustainability
Report

10 GRI CONTENT INDEX

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-1	Name of the organisation	Corporate Profile	000
102-2	Activities, brands, products, and services	• Corporate Profile • Operations and Financial Review • Financial Contents > Notes to the Financial Statements > General • Financial Contents > Notes to the Financial Statements > Financial Information by Operating Segments • Financial Contents > Notes to the Financial Statements > Investments in Subsidiaries	000 006-009 080-083 098-101 113-114
102-3	Location of headquarters	• Corporate Information • Financial Contents > Notes to the Financial Statements > General	000 080-083
102-4	Location of operations	• List of Clinics • Financial Contents > Notes to the Financial Statements > Financial Information by Operating Segments	010 098-101
102-5	Ownership and legal form	• Corporate Structure • Financial Contents > Notes to the Financial Statements > General • Financial Contents > Notes to the Financial Statements > Investment in Subsidiaries • Statistics of Shareholdings	013 080-083 113-114 137-138
102-6	Markets served	• List of Clinics • Financial Contents > Sustainability Report > Material Factors > Quality Healthcare and Customer Experience • Financial Contents > Notes to the Financial Statements > Financial Information by Operating Segments	010 024-025 098-101
102-7	Scale of the organisation	• Operations and Financial Review • Financial Contents > Sustainability Report > Material Factors > Equality and Diversity in the Workplace • Financial Contents > Sustainability Report > Material Factors > Sustainable Business Performance • Financial Contents > Consolidated Statement of Profit or Loss and Other Comprehensive Income • Financial Contents > Statements of Financial Position	006-009 026 028 073 074
102-8	Information on employees and other workers	Financial Contents > Sustainability Report > Material Factors > Equality and Diversity in the Workplace	026

Sustainability
Report

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-9	Supply chain	Financial Contents > Sustainability Report > Material Factors > Quality Healthcare and Customer Experience	024-025
102-10	Significant changes to the organisation and its supply chain	• Chairman's Message • Operations and Financial Review • Financial Contents > Sustainability Report > Material Factors > Quality Healthcare and Customer Experience	004-005 006-009 024-025
102-11	Precautionary Principle or approach	None	–
102-12	External initiatives	Sustainability Report > Supporting the UN Sustainable Development Goals	030
102-13	Membership of associations	None	–
Strategy			
102-14	Statement from senior decision-maker	Financial Contents > Sustainability Report > Board Statement	018-019
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	• Corporate Profile • Financial Contents > Sustainability Report > Material Factors > Robust Corporate Governance Framework • Financial Contents > Corporate Governance Statement	000 029 035-064
Governance			
102-18	Governance structure	• Financial Contents > Sustainability Report > Policy, Practice and Performance Reporting > Reporting Structure • Financial Contents > Sustainability Report > Material Factors > Robust Corporate Governance Framework • Financial Contents > Corporate Governance Statement	021 029 035-064
Stakeholder engagement			
102-40	List of stakeholder groups	Financial Contents > Sustainability Report > Stakeholder Engagement	020
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	–
102-42	Identifying and selecting stakeholders	Financial Contents > Sustainability Report > Stakeholder Engagement	020
102-43	Approach to stakeholder engagement	Financial Contents > Sustainability Report > Stakeholder Engagement	020
102-44	Key topics and concerns raised	• Financial Contents > Sustainability Report > Stakeholder Engagement • Financial Contents > Sustainability Report > Material Factors > Quality Healthcare and Customer Experience	020 024-025

Sustainability
Report

GRI standard & disclosure title		Section reference	Page
Reporting practice			
102-45	Entities included in the consolidated financial statements	• Corporate Structure • Financial Contents > Notes to the Financial Statements > Investment in Subsidiaries	013 113-114
102-46	Defining report content and topic Boundaries	Financial Contents > Sustainability Report > Policy, Practice and Performance Reporting > Sustainability Reporting Processes	021
102-47	List of material topics	Financial Contents > Sustainability Report > Material Factors	022-029
102-48	Restatements of information	Not applicable as this is our maiden sustainability report	–
102-49	Changes in reporting	Not applicable as this is our maiden sustainability report	–
102-50	Reporting period	Financial Contents > Sustainability Report > Reporting Period and Scope	019
102-51	Date of most recent report	Not applicable as this is our maiden sustainability report	–
102-52	Reporting cycle	Financial Contents > Sustainability Report > Reporting Period and Scope	019
102-53	Contact point for questions regarding the report	Financial Contents > Sustainability Report > Feedback	020
102-54	Claims of reporting in accordance with the GRI Standards	• Financial Contents > Sustainability Report > Reporting Framework and Market Benchmarking • Financial Contents > Sustainability Report > GRI Content Index	019 031-034
102-55	GRI content index	Financial Contents > Sustainability Report > GRI Content Index	031-034
102-56	External assurance	We may seek external assurance in the future	–
Management approach			
103-1	Explanation of the material topic and its Boundary	Financial Contents > Sustainability Report > Material Factors	022-029
103-2	The management approach and its components	• Financial Contents > Sustainability Report > Board Statement • Financial Contents > Sustainability Report > Policy, Practice and Performance Reporting • Financial Contents > Sustainability Report > Material Factors	018-019 021-022 022-029
103-3	Evaluation of the management approach	Financial Contents > Sustainability Report > Material Factors	022-029
Category: Economic			
201-1	Direct economic value generated and distributed	• Operations and Financial Review • Financial Contents > Sustainability Report > Material Factors > Sustainable Business Performance • Financial Contents > Consolidated Statement of Profit or Loss and Other Comprehensive Income • Financial Contents > Statements of Financial Position	006-009 028 073 074

Sustainability **Report**

GRI standard & disclosure title		Section reference	Page
Category: Environmental			
307-1	Non-compliance with environmental laws and regulations	Financial Contents > Sustainability Report > Material Factors > Responsible Waste Management	028
Category: Social			
404-2	Programs for upgrading employee skills and transition assistance programs	Financial Contents > Sustainability Report > Material Factors > Employee Training and Development	027
405-1	Diversity of governance bodies and employees	Financial Contents > Sustainability Report > Material Factors > Equality and Diversity in the Workplace	026
413-1	Operations with local community engagement, impact assessments, and development programs	Financial Contents > Sustainability Report > Material Factors > Ongoing Community Engagement	027-028
416-1	Assessment of the health and safety impacts of product and service categories	Financial Contents > Sustainability Report > Material factors > Commitment to Product Quality and Safety	026
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Financial Contents > Sustainability Report > Material Factors > Commitment to Data Privacy and Cybersecurity	025

Corporate
Governance Statement

The board of directors (the "Board") of Alliance Healthcare Group Limited (the "Company" and together with its subsidiaries, the "Group") is committed to achieving high standards of corporate governance practices.

This corporate governance report outlines the Company's corporate governance processes and activities that were in place for the financial year ended 30 June 2020 (the "FY2020"), with specific reference to the principles and provisions of the Singapore Code of Corporate Governance 2018 (the "Code") and the disclosure guide (the "Guide") developed by the SGX-ST.

The Company is generally in compliance with the principles and provisions set out in the Code and the Guide. Where there are deviations from the Code and Guide, the Board has considered and is of the view that the alternative practices adopted are sufficient to meet the underlying objectives of the Code and Guide. Appropriate explanations have been provided in the relevant sections where there are deviations.

The Board is pleased to confirm that for FY2020, the Group has adhered to the principles and provisions as outlined in the Code except for the following where the deviations and explanations have been provided:

(i) Provision 3.1 – Chairman and Chief Executive Officers are Separate Persons
(ii) Provision 8.1 – Disclosure on Remuneration

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Group.

The Board is entrusted with the responsibility for the overall governance, performance and strategic direction of the Group. As at the date of this report, the Board comprises five directors, three of whom are independent, as follows:

Dr. Barry Thng Lip Mong	Executive Chairman and Chief Executive Officer
Dr. Mok Kan Hwei, Paul	Executive Director
Wong Hin Sun, Eugene	Lead Independent Director
Lim Heng Chong Benny	Independent Director
Dr. Leong Peng Kheong Adrian Francis	Independent Director

The profile of each director can be found on pages 14 and 15 of the Annual Report.

The duties and responsibilities of the Board are:

- to supervise and approve strategic direction of the Group;
- to review management performance of the Group;
- to review business practices and risk management of the Group;
- to review financial plans and performance of the Group;
- to approve matters beyond the authority of the management;
- to ensure that there are policies and safeguards in the internal controls system to preserve the integrity of the assets;

Corporate **Governance Statement**

- to ensure compliance with legal and regulatory requirements;
- to deliberate on and approve recommendations made by the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee; and
- to consider sustainability issues such as environmental and social factors, as part of the Group's strategic formulation.

Certain functions of the Board have been delegated to the board committees, namely Audit and Risk Management Committee, Nominating Committee and Remuneration Committee, which are chaired by Mr. Wong, Mr. Lim and Dr. Leong respectively.

Each committee has its own written terms of reference, with actions reported to and monitored by the Board. The names of the members of the Board committee, the key terms of reference and a summary of the committees' activities, are set out in this statement.

There are key matters that are reserved for the Board's decision, such as:

- the setting-up of the corporate strategies;
- the making of any decision to cease, to operate all or any material part of the business of the Group or to extend the Group's activities into new business;
- the approval of any material acquisition or disposal of any investment, asset or business by the Company or any of its subsidiaries;
- the approval of any changes relating to the Company's share capital structure, including share issues and reduction of capital;
- the approval of material unbudgeted capital expenditures;
- the approval of material capital borrowings and financial commitments;
- the approval of interested person transactions of the Group;
- the approval of the Company's financial results and audited financial statements;
- the recommendation of the payment of any dividend;
- the appointment or removal of a director from the Board;
- the appointment or removal of a company secretary;
- the approval of remuneration packages of key executives of the Company recommended by the Remuneration Committee;
- the convene of shareholders' meetings; and
- any matter required to be considered or approved by the Board as a matter of law or regulation.

Corporate **Governance Statement**

The Board has put in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company.

Each Board member is encouraged to constantly keep abreast of developments in regulatory requirements, corporate governance and accounting standards that are of relevance to the Group. Such updates are given at Board meetings and where necessary via presentations by the Company's external professionals, auditors and management. The directors are encouraged to undergo external training seminars and courses. The costs incurred for seminars and trainings shall be borne by the Company.

The management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the meeting.

To assist the Board on discharging its duties, board papers are distributed in advance of Board meetings so that the directors would have sufficient time to understand the matters which are to be discussed.

In addition, the Board is also provided with annual budget and reports for corporate exercises on a timely basis. It has direct access to the management, sponsor, external auditors and company secretaries and will request for additional information as and when needed.

The attendance record of the directors at the 2019 Annual General Meeting, Board and committee meetings held during FY2020 is as follows:

Name of Directors	Annual General Meeting	Board	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
		No. of Meetings held: 2	No. of Meetings held: 2	No. of Meeting held: 1	No. of Meeting held: 1
		No. of Meeting Attended			
Dr. Barry Thng Lip Mong (Executive Chairman and Chief Executive Officer)	1	2	N.A.	N.A.	N.A.
Dr. Mok Kan Hwei, Paul (Executive Director)	1	2	N.A.	N.A.	N.A.
Wong Hin Sun, Eugene (Lead Independent Director)	1	2	2	1	1
Dr. Leong Peng Kheong Adrian Francis (Independent Director)	1	2	2	1	1
Lim Heng Chong Benny (Independent Director)	1	2	2	1	1

N.A. – Not applicable

The Company's Constitution allows a Board meeting to be conducted by way of telephone or video conference. The Company holds at least two Board meetings every year and additional meetings will be convened as and when necessary. At every meeting of the Board, all directors are free to speak and openly challenge the views presented by management and other directors.

Corporate **Governance Statement**

During the year under review, the Board met two times to approve, amongst others, the Group's half-yearly results announcements and various Board reserved matters, include potential acquisitions and adoption of terms of reference for Board committees. The sponsor, external auditor, company secretaries and other professionals were invited to join these Board meetings.

Where Board meetings are not convened, the Board may use circular resolution in writing to sanction certain decisions. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict.

The Board has direct access to management and holds management accountable for the performance of the Group. The Board may also communicate directly with the sponsor, external auditor, internal auditor and company secretaries on all matters as and when they deem necessary, to ensure adherence to the Board procedures and relevant rules and regulations which are applicable to the Group. Any director may, on a case-to-case basis, propose to the Board for independent and professional advice, at the Company's expense.

Independent directors are always available to provide guidance to management on business issues and in areas in which they specialise. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

The company secretaries assist the Chairman and the Chairman of each Board committee in the development of the agenda for the various meetings. The company secretaries attend Board and committee meetings and prepare minutes of meetings. They are also responsible for, among others, ensuring that Board procedures are observed and that the Companies Act and relevant regulations are generally complied with. The appointment and the removal of a company secretary is a matter for the Board as a whole.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Company endeavours to maintain a strong and independent element on the Board. The Board is led by Dr. Thng, the Chairman and Chief Executive Officer and in compliance with Provision 2.2 and Provision 2.3 of the Code, independent non-executive directors make up a majority of the Board.

As set out under the Code, an independent director is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. The Nominating Committee deliberates annually to determine the independence of a director bearing in mind the salient factors set out under Provision 2.1 of the Code as well as all other relevant circumstances and facts. To facilitate the Nominating Committee in its review of the independent status of the directors, each non-executive director will confirm his/her independence on a yearly basis. Executive Directors are considered non-independent. None of the independent directors has any relationships or circumstances which may affect their judgement and ability to discharge their duties and responsibilities as independent directors. Please also refer to Principle 4 below for details.

All Board appointments are made based on merit, in the context of skills, experience, core competencies, independence and other relevant factors, having due regard for the benefits of diversity on the Board and the contribution that the selected candidates bring to the Board. The Company provides a formal letter to the newly appointed directors upon their appointment setting out their statutory duties and responsibilities as executive or independent director. The directors are reminded of their fiduciary duties to act objectively in the best interests of the Company. In addition, new directors are also provided with background information about the Group's history and core values, its strategic direction and industry specific knowledge.

The Board and Board committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity, so as to avoid groupthink and foster constructive debate.

Corporate
Governance Statement

The core competencies and gender of the Board members are set out below:

	Number of Directors	Proportion of Board
Core Competencies		
Accounting or related finance management expertise or experience	2	40%
Legal or corporate governance	1	20%
Relevant industry knowledge or experience	3	60%
Strategic planning experience	3	60%
Customer based experience or knowledge	3	60%
Gender		
Male	5	100%
Female	0	0%

The Board has yet to achieve the gender diversity for the Board but it possesses balance and diversity of expertise in other disciplines. The Nominating Committee conducts annual review to assess if the existing attributes of the Board members are complementary and is satisfied that the Board comprises directors who as a group provide core competencies such as accounting or finance, legal, business or management experience and industry knowledge which are required for the Board to function effectively. At the committee meeting held in August 2020, the Nominating Committee has reviewed the Board composition and is of the view that the current composition possess balance and diversity although it does not achieve gender diversity. It was resolved that the Board composition is subject to annual review.

The independent directors provide, amongst others, strategic guidance to the Company based on their professional knowledge, in particular, assisting to constructively develop proposals on business strategy. The independent directors also help to review the performance of the management in meeting goals and objectives and monitor their performance.

The independent directors meet without the presence of the management as and when required. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

During FY2020, the independent directors had met with the external and internal auditors without the presence of the management.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and management, and no one individual has unfettered powers of decision-making.

Under Provision 3.1 of the Code, the Chairman and the Chief Executive Officer are to be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. As Dr. Thng is the Executive Chairman and also the Chief Executive Officer of the Company, the Company has not complied with Provision 3.1 during FY2020. The role of the Chairman and Chief Executive Officer is not separate as the Board is of the view that it is in the best interests of the Company to adopt a single leadership structure to ensure that the decision-making process of the Company would not be unnecessarily impeded as well as to ensure that the Company is able to grasp business opportunities efficiently and promptly. Although the roles are not separated, the Board committees are chaired by independent directors. In addition, the Board believes that there are sufficient safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable concentration of power or influence. All major decisions are made in consultation with the Board as a whole.

Corporate **Governance Statement**

The Board has established and set out in writing the division of responsibilities between the role of Chairman and the role of Chief Executive Officer notwithstanding that these roles are assumed by the same person.

As the Executive Chairman, Dr. Thng is responsible for, amongst others:

(a) leading the Board to ensure its effectiveness on all aspects of its role, scheduling meetings of the Board and setting the Board meeting agenda in consultation with the management;

(b) exercising control over quality, quantity and timeliness of the flow of information between management and the Board;

(c) ensuring the Board meets the management for informal meeting as and when needed;

(d) assisting in ensuring compliance with the Company's guidelines on corporate governance;

(e) ensuring effective communication with shareholders;

(f) encouraging constructive relations between the Board and management as well as between executive directors and independent directors;

(g) facilitating the effective contribution of independent directors; and

(h) promoting high standards of corporate governance and assisting in ensuring compliance of the Company's guidelines on corporate governance.

The responsibilities of the Chief Executive Officer are set out in a service agreement entered into between the Company and the Chief Executive Officer. The Chief Executive Officer is responsible for the development and expansion of the Group's business and is responsible for the Group's entire operations, strategic planning, major decision-making, as well as developing the business and vision of the Group.

Given that the Executive Chairman and the Chief Executive Officer is the same person and part of the management team, Mr Wong Hin Sun, Eugene has been appointed as Lead Independent Director in accordance with Provision 3.3 of the Code. Mr. Wong is available to shareholders should they have concerns which cannot be resolved through the normal channels of the Chairman for which such contact is inappropriate. He acts as a counter-balance in the decision-making process. The Lead Independent Director is also responsible for leading the meetings of independent directors without presence of the other directors, as and when required. Feedback will be given to the Chairman after such meetings.

Mr. Wong's other specific roles as Lead Independent Director are to:

(a) lead the independent directors to provide non-executive perspectives in circumstance where it would be inappropriate for the Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board; and

(b) advise the Chairman as to the quality, quantity and timeliness of the information provided and/or submitted by management that is necessary or appropriate for the independent directors to effectively and efficiently perform their duties.

Corporate **Governance Statement**

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

All the Nominating Committee members are independent directors. The Nominating Committee members comprise the following directors:

Lim Heng Chong Benny	Chairman and Independent Director
Wong Hin Sun, Eugene	Lead Independent Director
Dr. Leong Peng Kheong Adrian Francis	Independent Director

The Nominating Committee is established for, *inter alia*, the purposes of ensuring that there is a formal and transparent process for all Board appointments, taking into account the need for progressive renewal of the Board. It has adopted written terms of reference defining its membership, administration and duties.

The salient terms of reference of the Nominating Committee includes:

(a) to review and decide whether or not a director is able to and has been adequately carrying out his duties as director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;

(b) to review the directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently;

(c) to review and recommend the Board on the appointment of directors and key management including re-nomination of existing directors for re-election, having regard to the Director's contribution and performance;

(d) to review and approve the employment of persons related to the directors and/or substantial shareholders and proposed terms of their employment;

(e) to determine annually whether or not a director is independent;

(f) to review the training and professional development programs for the Board;

(g) to review succession plans for directors, the Chief Executive Officer and key management;

(h) to determine and recommend to the Board the maximum number of listed company board representations which any director may hold;

(i) to make recommendation to the Board the performance criteria and appraisal process to be used for evaluation of the effectiveness of the Board as a whole, its committees and directors; and

(j) to address how the Board has enhanced long-term shareholders' value and to assess the contribution of each director to the effectiveness of the Board.

Corporate **Governance Statement**

The criteria of independence are based on the definition given in the SGX-ST Listing Manual Section B: Rules of Catalist of SGX-ST (the "Catalist Rules") and the Code. Under Provision 2.1 of the Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The independence of directors shall be reviewed by the Nominating Committee annually, in accordance with the Code's and Catalist Rules' definition of independence.

Mr. Wong, Mr. Lim and Dr. Leong, the independent directors of the Company, have each confirmed that they and their immediate family members are not employed or have been employed by the Company or any of its related corporations for the current and any of the past three financial years and whose remuneration is determined by the Remuneration Committee. They have also confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers or face any circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Group.

As of the date of this statement, there is no independent director who has served for an aggregate period of nine years or more from the date of his first appointment.

At the Nominating Committee meeting held in August 2020, the committee has reviewed and is satisfied that all three independent directors of the Company are independent and further, that no individual or small group of individuals dominate the Board's decision-making process. None of the independent directors has a relationship as stated in the Code that would otherwise deem such director not to be independent.

The Nominating Committee has resolved that a director of the Company who is a professional director with no full-time employment shall have appointments in no more than five listed companies and a director with full-time employment shall have appointments in no more than three listed companies. During FY2020 and as at the date of this statement, none of the Company's directors has exceeded the aforementioned number of listed company directorships relevant to each of them. The company directorships and principal commitments of each director are set out on page 50 of the Annual Report.

The Nominating Committee is of the view that despite some of the directors having multiple board representations, it is satisfied that these directors are able to and have adequately carried out their duties as directors of the Company. The Board has experienced minimal competing time commitments among its members as meetings are planned and scheduled well in advance of the meeting dates. The Nominating Committee would review the board representations of each director, from time to time to ensure that the directors continue to meet the demands of the Group and are able to discharge their duties adequately. The Nominating Committee has reviewed the time spent and attention given by each of the directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the directors, and is satisfied that all directors have discharged their duties adequately for FY2020. During the year under review, all members of the Board Committees attended the meetings held.

The process for the shortlisting, selection and appointment of new directors is spearheaded by the Nominating Committee. The Nominating Committee would first consider the needs of the Board before determining the appropriate criteria and/or desired competencies used to identify and select potential candidates. In the selection and nomination of new directors, the Nominating Committee taps on the resources of the directors' personal contacts for recommendations of candidates. External help (for example, Singapore Institute of Directors, search consultants) could be used to source for potential candidates. Interviews are set up with potential candidates so that the Nominating Committee is able to assess each prospective candidate before a decision is made for recommendation to the Board for final approval. The Nominating Committee ensures that new directors are aware of their duties and obligations. It also decides if a director is able to and has been adequately carrying out his duties as a director of the Company.

Corporate
Governance Statement

During FY2020, the Nominating Committee met to review and/or approve, amongst others, the terms of reference of the committee and the re-appointment of directors who are subject to retirement at the forthcoming annual general meeting. All Nominating Committee members participated in the meetings and discussion.

The Constitution of the Company states that one-third of the directors have to retire and subject themselves for re-election by the shareholders at each annual general meeting of the Company. In addition, each director of the Company shall retire from office and subject themselves for re-nomination and re-appointment at least once every three years.

When an existing director chooses to retire or is required to retire from office by rotation, the Nominating Committee takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a director when making its recommendations to the Board. Accordingly, the Nominating Committee has assessed and recommended to the Board, and the Board has endorsed the re-election of the directors who have offered themselves for re-election as directors of the Company by shareholders at the forthcoming annual general meeting.

Dr. Barry Thng and Dr. Leong are the Directors seeking re-election at the forthcoming annual general meeting. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the retiring Directors as set out in the Appendix 7F of the Catalist Rules is disclosed below:

	Dr. Barry Thng Lip Mong	**Dr. Leong Peng Kheong Adrian Francis**
Date of Appointment	6 June 2006	28 March 2019
Date of last re-appointment	24 October 2019	24 October 2019
Age	53	60
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Dr. Thng for re-election as director of the Company and concluded that Dr. Thng possess the experience, expertise knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the Nominating Committee (with Dr. Leong abstaining from the decision making process) and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Dr. Leong for re-election as director of the Company and concluded that Dr. Leong possess the experience, expertise knowledge and skills to contribute towards the core competencies of the Board.

Corporate **Governance Statement**

	Dr. Barry Thng Lip Mong	Dr. Leong Peng Kheong Adrian Francis
Whether appointment is executive, and if so, the area of responsibility	Executive Dr. Thng is responsible for the overall business and strategic direction of the Group. As Head of the GP Clinic Services business segment, Dr. Thng oversees the strategic direction and day-to-day management of this business segment of the Group.	Non-Executive and Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	Independent Director Remuneration Committee Chairman Audit and Risk Management Committee Member Nominating Committee Member
Professional qualifications	Master of Medicine (Family Medicine), National University of Singapore ("NUS") Bachelor of Medicine and Bachelor of Surgery, NUS Graduate Diploma in Family Practice Dermatology, NUS Fellow - College of Family Physicians, Singapore Fellow - Academy of Medicine, Singapore	Master of Medicine (Surgery), NUS Bachelor of Medicine and Bachelor of Surgery, NUS
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No

Corporate
Governance Statement

	Dr. Barry Thng Lip Mong	Dr. Leong Peng Kheong Adrian Francis
Working experience and occupation(s) during the past 10 years	Dr. Thng is Executive Chairman and Chief Executive Officer of the Group and was appointed to the Board on 6 June 2006. He is the founder of the Group.	Dr. Leong served as professor as well as the Deputy Head of Surgery and Deputy Director of the National University Cancer Institute of Singapore in NUS from 2007 to 2010. In 2010, Dr. Leong served as the Managing Director of Medical Services of Healthway Medical Group Pte. Ltd., where he was responsible for overseeing the clinical practices within the group until 2011. He was appointed Executive Director of HMC, a company listed on the Catalist Board of the SGX-ST, in 2011.
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest - 7,428,223 Ordinary Shares in the Company Deemed interest - 133,450,000 Ordinary Shares in the Company	Direct Interest – 741,370 Ordinary Shares in the Company
Other Principal Commitments* Including Directorships# **Notes:** *** "Principal Commitments" has the same meaning as defined in the Code** **# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704 (9) or Catalist Rule 704 (8).**		
Past (for the last 5 years)	Alliance ENT Pte. Ltd. (struck-off) Alliance Healthcare Holdings Pte. Ltd. (struck-off) Alliance Medical Group Pte Ltd Alliance Pharm Pte. Ltd.	AFL Capital Pte. Ltd. (struck off)

Corporate **Governance Statement**

	Dr. Barry Thng Lip Mong	Dr. Leong Peng Kheong Adrian Francis
Present	Alliance Healthcare Pte. Ltd. Alliance Health Investments Pte. Ltd. Alliance Medinet Pte. Ltd. Alliance Specialist Group Pte. Ltd. Alpine Investment Holdings Pte. Ltd. Elite Orthopaedics Pte. Ltd. Ho Kok Sun Colorectal Pte. Ltd. Jaga-me Pte. Ltd. Lim Jit Fong Colorectal Centre Pte. Ltd. My Corporate Clinic Pte. Ltd. My ENT Specialist Pte. Ltd. My Family Clinic (St George) Pte. Ltd. My Family Clinic (Woodlands Glen) Pte. Ltd. My Family Clinic (Anchorvale) Pte. Ltd. My Family Clinic (Angsana Breeze @ Yishun) Pte. Ltd. My Family Clinic (CCK) Pte. Ltd. My Family Clinic (Clementi) Pte. Ltd. My Family Clinic (Clementi 325) Pte. Ltd. My Family Clinic (Hougang Central) Pte. Ltd. My Family Clinic (PN) Pte. Ltd. My Family Clinic (Punggol Central) Pte. Ltd. My Family Clinic (Punggol Waterway Terrace) Pte. Ltd. My Family Clinic (RV) Pte. Ltd. My Family Clinic (Segar) Pte. Ltd. My Family Clinic (SJ) Pte. Ltd. My Family Clinic (TH) Pte. Ltd. My Family Clinic (TPY) Pte. Ltd. My Family Clinic (WD) Pte. Ltd.	AFL Consulting Pte. Ltd.
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Corporate
Governance Statement

	Dr. Barry Thng Lip Mong	Dr. Leong Peng Kheong Adrian Francis
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
Whether there is any unsatisfied judgment against him?	No	No
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(a) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

Corporate
Governance Statement

		Dr. Barry Thng Lip Mong	Dr. Leong Peng Kheong Adrian Francis
(b)	**Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?**	No	No
(c)	**Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?**	No	No
(d)	**Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?**	No	No
(e)	**Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:**		
	i any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

Corporate Governance Statement

	Dr. Barry Thng Lip Mong	Dr. Leong Peng Kheong Adrian Francis
iv any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(f) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

Dr. Leong, upon re-election as a director of the Company, shall remain as Chairman of the Remuneration Committee. The Board considers Dr. Leong to be independent for the purpose of Rule 704(7) of the Catalist Rules. He has no relationship including immediate family relationships between himself and the other directors, the Company and its substantial shareholders, or relationship that could interfere or to be reasonably perceived to interfere with the exercise of independent judgment.

Corporate **Governance Statement**

The key information of the directors as at the date of this report is set out below:

Name of Directors	Date of Initial Appointment as Director and Date of Last Re-election / Re-appointment as Director	Directorship in Other Listed Companies – Current	Directorship in Other Listed Companies – Past 3 Years	Principal Commitments
Dr. Barry Thng Lip Mong (Executive Chairman and Chief Executive Officer)	6 Jun 2006 / 24 Oct 2019	–	–	• Subsidiary(ies) of Alliance Healthcare Group (Executive Director)
Dr. Mok Kan Hwei, Paul (Executive Director)	28 Mar 2019 / 24 Oct 2019	–	–	• Subsidiary(ies) of Alliance Healthcare Group (Executive Director) • ENTDoctors Pte. Ltd. (Executive Director)
Wong Hin Sun, Eugene (Lead Independent Director)	28 Mar 2019 / 24 Oct 2019	• Japan Foods Holding Ltd. (Non-executive Vice Chairman) • Jason Marine Group Limited (Non-executive Director) • APAC Realty Limited (Independent Director)	–	• Sirius Venture Capital Pte. Ltd. (Director) • Sirius Angel Fund Pte. Ltd. (Non-executive Director) • Crimsonlogic Pte. Ltd. (Non-executive Chairman) • GeTs Global Pte. Ltd. (Non-executive Chairman) • NTUC Learninghub Pte. Ltd. (Non-executive Chairman) • Singapore Cruise Centre Pte. Ltd. (Non-executive Director) • Dining Collective Pte. Ltd. (Non-executive Director)
Lim Heng Chong Benny (Independent Director)	28 Mar 2019 / 24 Oct 2019	• China Sunsine Chemical Holdings Ltd (Independent Director)	–	• Chris Chong & C T Ho LLP (Partner)
Dr. Leong Peng Kheong Adrian Francis (Independent Director)	27 Feb 2019 / 24 Oct 2019	–	–	• AFL Consulting Pte. Ltd. (Director)

Currently, none of the directors has appointed any alternate director to the Board of the Company.

Corporate **Governance Statement**

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual directors.

The Nominating Committee has established an appraisal process to assess the performance and effectiveness of the Board (including all Board Committees) and individual director on a yearly basis with inputs from the Chairman and other Board members. The appraisal process has been endorsed by the Board.

The evaluation for Board as a whole focuses on a set of criteria which include Board's structure, information to the Board, Board processes, risk management and internal controls, accountability of Chief Executive Officer and top management and standards of conduct. The performance criteria for individual director's assessment covers Board contribution and knowledge, strategy and risk management, preparedness, participation and commitment, responsibility and accountability and interaction. The performance criteria are not expected to be changed from year to year except when deemed necessary and justifiable.

As part of the process, all directors will complete appraisal forms which will be collated by the company secretaries. The results of the performance evaluation will be provided to the Nominating Committee for review. All Nominating Committee members will abstain from the voting or review process of any matters in connection with the assessment of his own performance.

The Nominating Committee has established the methodology for reviewing the effectiveness of the Board as a whole (including all Board Committees) and individual director assessment. The review of the Board and Board Committees' performance as well as individual director will be conducted by the Nominating Committee annually. As at the date of this report, the Nominating Committee has completed its evaluation in respect of FY2020.

No external facilitator has been engaged for the purposes of assessing the Board's performance for FY2020.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: Level of Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

The Remuneration Committee comprises the following members:

Dr. Leong Peng Kheong Adrian Francis	Chairman and Independent Director
Wong Hin Sun, Eugene	Lead Independent Director
Lim Heng Chong Benny	Independent Director

All Remuneration Committee members are independent directors. The Remuneration Committee has access to internal and external expert and/or professional advice on human resource, whenever there is a need for such consultation.

The Remuneration Committee is established for, *inter alia*, the purposes of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual directors. The overriding principle is that no director should be involved in deciding his own remuneration. The Remuneration Committee has adopted written terms of reference that defines its membership, roles and functions and administration.

The key terms of reference of the Remuneration Committee includes:

(a) to advise the Board on the framework of remuneration policies for the directors and key executives;

(b) to determine the specific remuneration package of the Chief Executive Officer and executive directors;

(c) to review and ensure that the remuneration of non-executive directors is appropriate to the level of contribution by them, taking into account factors such as effort and time spent, and responsibilities of the directors;

(d) to review the remuneration packages of all managerial staff that are related to any of the directors, substantial shareholders and the Chief Executive Officer, if any;

(e) to recommend to the Board the key executives' and other employees' share option schemes or any long-term incentive scheme, if any; and

(f) to review the Company's obligation arising in the event of termination of the executive directors and key executives' contract of services, to ensure that such contract of services contain fair and reasonable clauses which are not overly generous.

The annual review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind, taking into consideration the long-term interests of the Group. In setting remuneration packages, the Remuneration Committee will take into account the performance of the Group as well as the executive directors and key executives aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. The Remuneration Committee's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. No director shall participate in decisions on his own remuneration. The payment of directors' fees is subject to the approval of the Company's shareholders.

Remuneration matters of the directors and Chief Executive Officer are the responsibility of the Remuneration Committee who will review and make necessary recommendations to the Board for approval. In respect of remuneration matters relating to senior management level, the Chief Executive Officer will make recommendations for the Remuneration Committee's consideration and review. The role of Remuneration Committee also includes the review of executive directors and key executives' contracts to ensure that such contracts of services contain reasonable termination clauses.

The remuneration of the independent directors is in the form of a fixed fee which is fixed after taking into consideration factors such as effort, time spent and responsibilities of the directors. Independent directors' fees are subject to shareholders' approval at the annual general meeting.

Annual reviews are carried out by the Remuneration Committee to ensure that the directors and key executives are appropriately rewarded, having due regard to the financial and commercial health and business needs of the Group.

The Company does not have any contractual provisions which allow it to reclaim incentives from the executive directors and key executives in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its executive directors and key executives, "claw-back" provisions in the service agreements may not be relevant or appropriate.

There was no remuneration consultant engaged for FY2020.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

The Group adopts a remuneration policy for staff comprising both fixed and variable components. The fixed component is in the form of a base salary and the variable component is in the form of a variable bonus that is linked to the Company's and individual's performance. Certain employees are also entitled to other benefits. The management moderates and allocates the variable bonus based on the individual performance of employees and their contributions towards the achievement of the Group's performance.

The remuneration package of executive directors and key executives consists of:

(1) Fixed salary - Fixed salary is determined based on the complexity of the required responsibilities and tasks, along with data on market and sector comparatives and includes employer's contributions to CPF.

(2) Bonus and incentives - Variable remuneration depends on revenue/profit targets, sales incentives and other relevant performance indicators.

(3) Other benefits - Other benefits comprise of transport allowances and benefits-in-kind.

The independent directors are entitled to director's fees.

Provision 8.1 and Practice Guidance 8 of the Code states that remuneration disclosures for individual directors and the Chief Executive Officer should specify the names, amounts and breakdown of remuneration. The Board is of the opinion that it is in the best interest of the Company to maintain confidentiality of the exact remuneration details of the executive directors. As such, the Company has not complied with Provision 8.1 of the Code. The breakdown of remuneration of the directors (in percentage terms) for FY2020 is set out below:

Remuneration Band and Name of Director [1]	Salary %	Bonus %	Fees %	Other Benefits %	Total %
S$750,001 to S$900,000					
Dr. Barry Thng Lip Mong	88.03	11.97	–	–	100.00
S$500,001 to S$750,000					
Dr. Mok Kan Hwei, Paul	81.15	18.85	–	–	100.00
Up to S$60,000					
Wong Hin Sun, Eugene	–	–	100.00	–	100.00
Lim Heng Chong Benny	–	–	100.00	–	100.00
Dr. Leong Peng Kheong Adrian Francis	–	–	100.00	–	100.00

Note:

[1] The remuneration disclosed in the table above includes all forms of remuneration from the Company and its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration, regard has been given to the taxability of such item.

Corporate
Governance Statement

The Company has entered into service agreements with each of Dr. Thng and Dr. Mok in relation to their appointment as executive directors on 28 March 2019 and 1 December 2018, respectively. Subject to and in compliance with all applicable rules of the SGX-ST and all applicable Singapore laws and regulations, their service agreements are for a minimum period of 6 years commencing from 31 May 2019 (being the date of listing of the Company on the Catalist board of the SGX-ST) and shall automatically continue thereafter, unless otherwise agreed in writing between the parties or terminated in accordance with the respective service agreements, provided always that such employment shall terminate automatically upon the executive director ceasing to hold office as a director.

The directors' fees for FY2020 are as follows:

Name	Amount (S$)
Wong Hin Sun, Eugene	60,000
Lim Heng Chong Benny	45,000
Dr. Leong Peng Kheong Adrian Francis	45,000

The aforesaid directors' fee has been approved by Shareholders of the Company in AGM of the Company held in 2019.

Provision 8.1 and Practice Guidance 8 of the Code states that remuneration disclosures for the top 5 key management personnel (who are not directors or the chief executive officer) should specify the names, amounts and breakdown of remuneration in bands no wider than S$250,000. The Company has identified 4 key management personnel. The breakdown of remuneration of such personnel (in percentage terms) for FY2020 is set out below:

Remuneration Band and Name of Executive Officer [1]	Salary	Bonus	Fees	Other Benefits	Total
	%	%	%	%	%
Up to S$250,000					
Ms. Neo Lay Fen	83.08	16.42	–	0.50	100.00
Ms. Jenny Oh	93.00	6.84	–	0.16	100.00
Ms. Karen Ong	81.92	17.93	–	0.15	100.00
Mr. Wong Chien Yeh	78.25	9.52	12.23	–	100.00

Note:

(1) The remuneration disclosed in the table above includes all forms of remuneration from the Company and its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration, regard has been given to the taxability of such item.

	Amount (S$)
Aggregate of the total remuneration paid or payable to the top key management personnel (who are not directors of the Group or the Chief Executive Officer)	781,928

The performance conditions used to determine the entitlement of the executive directors and key executives comprise of qualitative and quantitative conditions. Examples of quantitative conditions are target revenue, target profit and years of service. Examples of qualitative conditions are on the job performance, leadership, teamwork, etc. The performance conditions are set by the Remuneration Committee. The Remuneration Committee has reviewed and is satisfied that the performance conditions of the Directors and key executives were met for FY2020.

Corporate
Governance Statement

During FY2020, the Group does not have any employee who is an immediate family member of a director, the Chief Executive Officer or a substantial shareholder.

The directors, the Chairman and the Chief Executive Officer and key management personal are not entitled to any benefits upon termination, retirement or post-employment. The Company currently does not have any share option scheme or performance share plan.

Further information on the directors and key management personnel is on pages 14 to 16 of this Annual Report.

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets and to manage risks. The Board acknowledges that no system of internal controls can provide absolute assurance against the occurrence of human and system errors, poor judgment in decision-making, losses, fraud or other irregularities. In compliance with Provision 9.1 of the Code, the roles of risk management have been delegated to the Audit and Risk Management Committee.

Based on the internal controls established by the Group, its assessment of work performed by the external auditor and the internal auditor, the Board, with the concurrence of the Audit and Risk Management Committee, is of the view that the Group's internal controls in addressing the financial, operational, compliance and information technology risks and the Group's risk management systems are effective and adequate for FY2020. The Board and Audit and Risk Management Committee did not identify any major concern on the Group's internal controls or risk management systems for FY2020.

The system provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks.

For the financial year under review, the Company's Chief Executive Officer and Chief Financial Officer have provided assurance to the Board on the integrity of the financial statements of the Company and the Group. Further, the Board has received written assurance from the Company's Chief Executive Officer and Chief Financial Officer that:

(i) The financial records of the Company and the Group have been properly maintained and the financial statements for FY2020 give a true and fair view of the Group's operations and finances; and

(ii) The system of risk management and internal controls in place within the Group are adequate and effective in addressing the risks in the Group in its current business environment including financial, operational, compliance and information technology risks.

The Audit and Risk Management Committee has discussed and appointed Yang Lee & Associates as internal auditor of the Company at its meeting held on 29 August 2019.

Corporate
Governance Statement

Principle 10: Audit and Risk Management Committee

The Board has an Audit and Risk Management Committee which discharges its duties objectively.

The Audit and Risk Management Committee comprises three members, all of whom are independent. None of the Audit and Risk Management Committee members were previous partners or directors of the Company's external audit firm within the last two years and none of them hold any financial interest in the external audit firm. At least two members, including the Audit and Risk Management Committee Chairman, have recent and relevant accounting or related financial management expertise or experience.

The members of the Audit and Risk Management Committee are:

Wong Hin Sun, Eugene	Chairman and Lead Independent Director
Lim Heng Chong Benny	Independent Director
Dr. Leong Peng Kheong Adrian Francis	Independent Director

The role of the Audit and Risk Management Committee is to, *inter alia*, assist the Board in discharging its responsibilities to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls. The Board is of the opinion that the members of the Audit and Risk Management Committee have sufficient accounting and financial management expertise and experience in discharging their duties and responsibilities.

The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules. All the subsidiaries which are incorporated in Singapore are audited by RSM Chio Lim LLP ("RSM"). Alliance Medinet (M) Sdn. Bhd., which is incorporated in Malaysia is audited by Messrs. ASQ PLT.

The main functions and responsibilities of the Audit and Risk Management Committee include the following:

(a) to assist the Board in the discharge of its responsibilities on financial and reporting matters;

(b) to review, with the internal and external auditor, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditor, and shall review at regular intervals with the management on the implementation by the Group of the internal control recommendations made by the internal and external auditor;

(c) to review the periodic financial statements of the Company and results announcements of the Company, focusing, in particular, on changes in policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards, the Catalist Rules and any other statutory/regulatory requirements, as well as concerns and issues arising from the audit, including any matters which the auditor may wish to discuss in the absence of the management, where necessary, before submission to the Board for approval;

(d) to review at least annually, the effectiveness and adequacy of the internal controls, including financial, operational, compliance and information technology controls and risk management systems;

(e) to review the adequacy, effectiveness, independence, scope of results and objectivity of the external audit and the internal audit function as well as consider and make recommendations to the Board on (i) the proposals to the shareholders on the appointment or re-appointment and removal of internal and external auditor and (ii) the remuneration and terms of engagement of the internal and external auditor;

(f) to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and to ensure that the Company publicly discloses, and clearly communicates to its employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(g) to review and discuss with the internal and external auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations which has or is likely to have a material impact on the Group's results of operations or financial position, and the management's response;

(h) to review the financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;

(i) to review the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels as determined by the Board;

(j) to review the statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational and compliance controls as well as IT controls;

(k) to review the cooperation given by the management to the internal and external auditor;

(l) to review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

(m) to review any potential conflicts of interest and set out a framework to resolve or mitigate any potential conflicts of interest;

(n) to review and approve all hedging policies and instruments (if any) to be implemented by the Group;

(o) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit and Risk Management Committee;

(p) to review the cash management processes of the Group;

(q) to review and establish procedures for receipt, retention and treatment of complaints received by the Group involving, among others, criminal offences involving the Group or its employees and questionable accounting, auditing, business, safety or other matters that impact negatively on the Group and ensuring that there are arrangements in place for independent investigation and follow-up action(s);

(r) to review at least annually, compliance by the Group with all applicable laws, regulations, rules and guidance (including, but not limited to, the Private Healthcare Facilities and Services Act, 1998 (Act 586) of Malaysia ("PHFSA")) that are material to the Group's business and operations in Malaysia (the "Existing Malaysian Law and Regulations") in the event: (i) that Malaysia becomes a reportable geographical segment (in accordance with Singapore Financial Reporting Standards (International) (I)) in the Group's financial statements; and/or (ii) there are changes to the Existing Malaysian Law and Regulations, or new laws, regulations, rules and guidance are introduced in Malaysia that require compliance by the Group (including any specific requirements that companies (such as Alliance Medinet Pte Ltd, a subsidiary of the Company) which are neither incorporated under the Companies Act of Malaysia nor a foreign-incorporated company registered under the Companies Act of Malaysia) are to be registered as a "Managed Care Organisation", whether under the PHFSA or otherwise);

(s) to review at least annually, in consultation with the Board, relevant fee schedules for claims processing as a medical network administrator for corporations and insurance companies to take into consideration the applicable Singapore Medical Council guidelines and advisories;

(t) to undertake generally such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and

(u) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the Group's results of operations and/or financial position. Each member of the Audit and Risk Management Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

In discharging the above duties, the Audit and Risk Management Committee confirms that it has full access to and co-operation from management and is given full discretion to invite any director to attend its meetings. In addition, the Audit and Risk Management Committee has also been given reasonable resources to enable it to perform its functions properly. The Board considers Mr. Wong well qualified to chair the Audit and Risk Management Committee.

The Audit and Risk Management Committee also reviews all non-audit services provided by the external auditor to ensure that the provision of these services does not affect the independence of the auditor. The Audit and Risk Management Committee has reviewed the non-audit services provided by RSM during FY2020 and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditor and accordingly, has recommended the re-appointment of RSM as auditor of the Company at the forthcoming annual general meeting.

The Company has put into place a whistle-blowing framework, endorsed by the Audit and Risk Management Committee, where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. The committee, upon receipt of complaints or allegations from any employee, determines if an investigation is necessary. If an investigation should be carried out, it will direct an independent investigation to be conducted on the complaint received. The Audit and Risk Management Committee and the Board will receive a report on that complaint and findings of investigation as well as a follow-up report on actions taken. During FY2020, there were no reported incidents under the whistle-blowing framework.

The Audit and Risk Management Committee is kept abreast by the management and the professionals engaged by the Company (including the external auditor) of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements. During the year, the Audit and Risk Management Committee was briefed of the new financial reporting standards, Conflict of Interest Policy, Code of Business Conduct and Gift and Entertainment Policy and scope of coverage of outsourced service provider assurance review (the "OSPAR"). The scope of review of OSPAR includes logical security, physical security, business plan and disaster recovery, network and security management, security incident response, system vulnerability assessment and technology refresh management.

The management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measure to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Audit and Risk Management Committee and Board.

Corporate **Governance Statement**

The Audit and Risk Management Committee has deliberated the key audit matters identified by the external auditor. Details of the key audit matters for FY2020 are provided in the Statement by Directors of the Annual Report.

- Assessment of impairment of goodwill

  The Audit and Risk Management Committee has considered the approach and valuation methodology applied in the impairment assessment for goodwill. It has reviewed the reasonableness of the cash flow forecasts and the key assumptions used which included the revenue growth rates, margins, discount rate and the long-term growth rate.

  The impairment assessment of goodwill was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2020. Refer to page 69 of this report.

- Accounting for business combination

  The Audit and Risk Management Committee has considered the approach and valuation methodology applied in the accounting for business combination used by the external valuation specialist.

  The accounting for business combination was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2020. Refer to page 70 of this report.

  The Audit and Risk Management Committee is responsible for the appointment, termination, evaluation and compensation of the performance of the internal auditor. The Group has appointed Yang Lee & Associates as its internal auditor to assist the Audit and Risk Management Committee to assess and evaluate that the Group maintains a robust and effective system of internal controls by regular monitoring of key controls, conducting audits of high risk areas and undertaking investigations as directed by the Audit and Risk Management Committee.

  The internal auditor's primary line of reporting is to the Chairman of the Audit and Risk Management Committee. On an annual basis, the internal auditor prepares and executes a risk-based audit plan, so as to review the adequacy and effectiveness of the system of internal controls of the Group. Key audit findings are presented to the Audit and Risk Management Committee and the results of the findings are also shared with the external auditor. In addition, the committee meets with the internal auditor and the external auditor, at least once a year, without the presence of Management.

  During FY2020, the committee has met with the the internal auditor and the external auditor once, respectively without the presence of Management.

  The Audit and Risk Management Committee annually reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. The Audit and Risk Management Committee is satisfied that the internal auditor is independent, effective, qualified (given, *inter alia*, its adherence to standards set by internationally recognised professional bodies) and adequately resourced. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the Audit and Risk Management Committee, and has appropriate standing within the Company to discharge its duties effectively.

Corporate **Governance Statement**

SHAREHOLDER RIGHTS AND RESPONSIBLITIES

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives its shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company has established an investors relations policy and endeavors to communicate regularly, effectively and fairly with its shareholders. In line with the continuous disclosure obligations under the relevant rules, the Board ensures that shareholders are promptly informed of all major developments that may have a material impact on the Group in a timely manner. Information is released to shareholders and investors on a timely basis, through SGXNET as well as the Company's corporate website https://www.alliancehealthcare.com.sg.

In presenting the annual financial statements and announcements of financial results to shareholders, the Board has a responsibility to present a fair assessment of the Group's financial performance and position including the prospects of the Group. The Board is mindful of the obligation to provide timely and fair disclosure of material information and price sensitive and trade sensitive information. The Board is accountable to the shareholders while the management is accountable to the Board.

The Company has an internal investor relations team, led by Ms Neo Lay Fen, the Chief Financial Officer, who is responsible for the Company's communication with shareholders. Any shareholder who has queries may send an email to the Company at investor.relations@alliancehealthcare.com.sg. The Company has also engaged an external investor relations firm which assists to organise meetings with investors and shareholders so as to actively engage and promote regular, effective and fair communication. It releases investor presentations periodically through SGXNET to keep shareholders informed of the Group's developments and updates.

The annual general meeting is the principal forum for dialogue with shareholders. The annual general meeting provides an open question and answer session at which shareholders may raise questions or share their views regarding the proposed resolutions and the Group's businesses and affairs. The Board encourages shareholders to attend general meetings if possible to ensure a greater level of shareholders' participation and to meet with the Board and the key management personnel so as to stay informed of the Group's developments and to raise issues and ask the directors or the management questions regarding the Group's business and operations. The directors and the management as well as external auditors will be present at general meetings to address shareholders' queries regarding amongst others the conduct of audit and the auditors' report. The attendance of directors at general meetings is disclosed in the table found on page 37.

The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, *inter alia*, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration. Please refer to "Dividends" on page 62 for further information.

Separate resolutions on each distinct issue are tabled at general meetings. "Bundling" of resolutions are kept to a minimum and done only where the resolutions are interdependent as to form one significant proposal and only where there are reasons and material implications involved. Where the resolutions are "bundled", the Company shall explain the reasons and material implications in the notice of such general meeting. All resolutions are put for vote by poll in accordance to the Catalist Rules. The Board has decided not to implement absentia-voting methods by mail, e-mail or fax, until issues on security and integrity are satisfactorily resolved. The Company's Constitution allows a member of the Company who is not a relevant intermediary to appoint not more than two proxies to attend and vote at general meetings. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at general meetings. For the time being, the Board is of the view that two proxies for each non-intermediary member is adequate to enable Shareholders to participate in general meetings of the Company. All shareholders have the opportunity to participate effectively in and vote at general meetings.

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on its corporate website as soon as practicable and such minutes shall record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management. Accordingly, the Company will be adopting this practice with effect from the forthcoming annual general meeting. The minutes of general meetings of the Company will be published via SGXNET as soon as practicable, for the information of the shareholders.

The voting results of each of the resolutions tabled are announced on the same day after the meeting. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNET.

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations as provided in the Group's 2020 Sustainability Report, the Company has regularly engaged its stakeholders through various channels to ensure that the business interests of the Group are aligned with those stakeholders, to understand and address the concerns so as to improve services and products standards, as well as to sustain business operations for long-term growth. The Company takes a pragmatic approach in managing stakeholders' expectations to support its long-term strategy. Pertinent information and news are regularly conveyed to the stakeholders through SGXNET.

Stakeholders of the Company will be able to communicate with the Company through the contact information provided in its corporate website.

Corporate **Governance Statement**

DIVIDENDS

The Company does not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by the Board at their discretion after considering a number of factors, including level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Group's expected financial performance and the impact of Covid-19 pandemic.

As stated in the Company's offer document issued in connection with its initial public offering ("IPO") dated 24 May 2019 ("Offer Document"), the Board intends to recommend and distribute dividends of at least 30.0% of the Group's net profits after tax (excluding exceptional items) for FY2020 and for FY2021. The foregoing statements are merely statements of the Board's present intention and shall not constitute legally binding obligations on the Company or legally binding statements in respect of future dividends (including those proposed for FY2020 and FY2021), which may be subject to modification (including reduction or non-declaration thereof) in the Board's sole and absolute discretion.

For FY2020, the Board has recommended a final tax exempt (one-tier) dividend of 0.34 Singapore cent per ordinary share for shareholders' approval at the forthcoming annual general meeting.

RISK MANAGEMENT

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. All significant control policies and procedures are reviewed by management and all significant matters are tabled to the Audit and Risk Management Committee and Board for review and deliberation.

DEALINGS IN SECURITIES

The Company has set out guidelines to the directors, officers and staff of the Group in relation to dealings in the Company's securities. These guidelines prohibit the Company, its directors, its officers and staff from dealing in the listed securities of the Company while in possession of material and/or price sensitive or trade-sensitive unpublished information and during the period one month before the announcement of the Company's half-year and full-year financial results and ending on the date of announcement of the relevant financial results. The Company, its directors and officers are also advised not to deal in the Company's securities on short-term considerations.

The Company, directors and officers of the Company are also advised to observe insider trading laws at all times even when dealing in the Company's securities within the permitted trading period.

All directors, officers and staff of the Group are required to comply with the provisions of the Securities and Futures Act, the Companies Act, the Catailst Rules and any other relevant regulations with regard to their securities transactions.

In view of the processes in place, in the opinion of the Board, the Company has complied with Rule 1204(19) of the Catalist Rules on dealings in securities.

Corporate
Governance Statement

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval.

The aggregate value of interested person transactions entered into during FY2020 pursuant to Rule 907 of the Catalist Rules is as follows:

Name of Interested Persons and Details of Transactions	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) S$'000
ENTDoctors Pte. Ltd ("EDPL") Lease of premises at 1 Farrer Park Station Road, #10-20, Connexion, Singapore 217562	EDPL is solely-owned by Dr. Mok Kan Hwei, Paul, an Executive Director of the Company	36	–

Save as disclosed above, the Company did not have any other interested person transaction during FY2020. The Company does not have an existing general mandate from its shareholders in respect of any interested person transaction pursuant to Rule 907 of the Catalist Rules.

MATERIAL CONTRACTS

There were no material contracts of the Company or any of its subsidiary companies involving the interests of the Chief Executive Officer, each director or controlling shareholder of the Company, either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

There were no non-sponsor fees paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch for FY2020.

Corporate
Governance Statement

FEES PAID TO AUDITORS

In accordance with Rule 1204(6)(a) of the Catalist Rules, the aggregate amount of fees paid/payable to the Company's auditor, RSM, broken down into audit and non-audit services during FY2020 are as follows:

Nature of services	Fees (S$)
Non-Audit	
Tax Compliance Work	64,691
Out-sourced Service Providers Assurance Review (OSPAR)	29,400
Audit	207,518
Total	301,609

UTILISATION OF IPO PROCEEDS

As at the date of this report, the status on the use of the proceeds raised from the IPO is as follows:

		Allocated S$'000	Utilised S$'000	Balance S$'000
(i)	To expand business through (a) the expansion of network of self-owned GP clinics, specialist care services and medical facilities in Singapore as well as (b) acquisitions, joint ventures and/or strategic alliances	3,000	1,050	1,950
(ii)	To invest in technology systems as part of the digital transformation of the delivery of healthcare services	500	441	59
(iii)	To expand pharmaceutical services business	200	95	105
(iv)	For general working capital requirements [(1)] [(2)]	1,028	1,028	–
(v)	For payment of underwriting and placement commissions as well as listing expenses [(1)]	1,672	1,672	–
	Gross proceeds from IPO	6,400	4,286	2,114

Notes:

(1) The Company incurred actual IPO expenses of S$1.672 million. The amount of S$189,000 in excess of the estimated IPO expenses of S$1.861 million has been re-allocated for general working capital purposes.

(2) The Company has fully utilised the amount allocated for general working capital requirements for purchase of inventories.

The above utilisation is in accordance with the intended use of proceeds from the IPO as stated in the Offer Document.

SUSTAINABILITY REPORT

The Company's Sustainability Report for FY2020 can be found in on pages 18 to 34 of this Annual Report.

Statement by **Directors**

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 30 June 2020.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Dr. Barry Thng Lip Mong
Dr. Mok Kan Hwei, Paul
Wong Hin Sun, Eugene
Lim Heng Chong Benny
Dr. Leong Peng Kheong Adrian Francis

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

	Direct interest		Deemed interest	
Name of directors and companies in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**	**At beginning of the reporting year**	**At end of the reporting year**
The company		Number of ordinary shares		
Dr. Barry Thng Lip Mong	7,393,323	7,428,223	133,450,000	133,450,000
Dr. Mok Kan Hwei, Paul	6,598,960	6,598,960	–	–
Wong Hin Sun, Eugene	100,000	100,000	–	–
Lim Heng Chong Benny	100,000	100,000	–	–
Dr. Leong Peng Kheong Adrian Francis	741,370	741,370	–	–

Statement by **Directors**

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Name of directors and companies in which interests are held	Direct interest: At beginning of the reporting year	Direct interest: At end of the reporting year	Deemed interest: At beginning of the reporting year	Deemed interest: At end of the reporting year
Parent company -	Number of ordinary shares			
Alpine Investment Holdings Pte. Ltd.				
Dr. Barry Thng Lip Mong	973,890	973,890	–	–

By virtue of section 7 of the Act Dr. Barry Thng Lip Mong is deemed to have an interest in the company and in all the related body corporates of the company.

The directors' interests as at 21 July 2020 were the same as those at the end of the reporting year.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. OPTIONS

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the audit and risk management committee ("ARMC") at the date of this report are as follows:

Wong Hin Sun, Eugene (Chairman of ARMC)
Lim Heng Chong Benny
Dr. Leong Peng Kheong Adrian Francis

The ARMC performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist).

Other functions performed by the ARMC are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The ARMC has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the group, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the ARMC and the board are of the opinion that the group's internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, are adequate and effective as at the end of the reporting year 30 June 2020.

Statement by **Directors**

9. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 27 August 2020, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

....	....
Dr. Barry Thng Lip Mong	Dr. Mok Kan Hwei, Paul
Director	Director

30 September 2020

Independent
Auditor's Report

To The Members Of Alliance Healthcare Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Alliance Healthcare Group Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Assessment of impairment of goodwill

  Please refer to Note 2 on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties and Note 16 on goodwill.

  As at the end of the reporting year, the group has goodwill of $5,190,858, which makes up 11.4% of the group's total assets as at 30 June 2020. Goodwill is assessed annually for impairment. Management uses the value in use method to determine the recoverable amount of goodwill. The value in use method requires management to estimate the future cash flows expected to arise from each of the cash-generating units as well as a suitable discount rate in order to measure the recoverable amount. In estimating the future cash flows of the cash-generating units, management forecasted the revenue, growth rates, margins based on presently available information.

  With the assistance of our in-house valuation specialist, we compared the valuation methodology to generally acceptable market practices and evaluated management's input to the valuation through discussions with management, verified to supporting documents where applicable as well as compared the inputs against available industry data and performed sensitivity analysis on the outcome of the calculations.

  We evaluated the adequacy of the disclosures included in the financial statements.

Key audit matters (cont'd)

- Accounting for business combination

  Please refer to Note 28A of the financial statements. The group acquired a 55% interest in a subsidiary, Jaga-Me Pte. Ltd. for a total purchase price or consideration of $3,845,495 during the reporting year. This represents a significant transaction for the group and the acquisition was accounted for as a business combination.

  The accounting for the acquisition requires the purchase price to be allocated to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed (purchase price allocation or "PPA").

  There is judgement and inherent uncertainty involved in the determination of whether the acquisition is a business combination or asset acquisition, as well as the identification and valuation of the assets acquired and liabilities assumed particularly on the valuation of the intangible assets such as unpatented technology and the fair values of the put and call options.

  We reviewed the sale and purchase agreements and other related documents to understand the terms of the acquisition. Together with our in-house valuation specialist, we discussed with management the PPA to understand the basis of identifying and valuing the identified assets and liabilities. We considered the objectivity, independence and competency of the external valuation specialist, and the scope of their engagement. We also considered the valuation methodologies used against generally accepted market practices.

  With respect to the valuation of intangible asset relating to unpatented technology, we involved our in-house valuation specialist and held discussions with the external valuation specialist engaged by the group to understand the external valuation specialist's valuation approaches and key assumptions used. We assessed the reasonableness of key assumptions used by comparing them to historical results, market data and industry forecasts. We also considered the adequacy of disclosures in respect of the acquisition in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent
Auditor's Report

To The Members Of Alliance Healthcare Group Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent **Auditor's Report**

To The Members Of Alliance Healthcare Group Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Paul Lee Seng Meng.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

30 September 2020

Engagement partner - effective from reporting year ended 30 June 2017

Consolidated Statement of Profit or Loss **and Other Comprehensive Income**

Year Ended 30 June 2020

	Notes	Group 2020 $	Group 2019 $
Revenue	5	42,783,548	36,511,557
Interest income		8,367	–
Other income and gains	6	1,981,350	354,140
Consumables and medical supplies used		(14,593,533)	(10,516,487)
Employee benefits expense	7	(21,088,356)	(18,607,644)
Depreciation and amortisation expense	12,13,16	(2,435,079)	(841,153)
Other losses	6	(5,786)	(59,906)
Finance costs	8	(278,860)	(131,034)
Other expenses	9	(3,373,429)	(5,458,976)
Profit before tax		2,998,222	1,250,497
Income tax expense	10A	(403,591)	(476,020)
Profit net of tax		2,594,631	774,477
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	23B	62	(139)
Other comprehensive income (loss) for the year, net of tax		62	(139)
Total comprehensive income		2,594,693	774,338
Profit attributable to owners of the parent, net of tax		2,334,635	317,603
Profit attributable to non-controlling interests, net of tax		259,996	456,874
Profit net of tax		2,594,631	774,477
Total comprehensive income attributable to owners of the parent		2,334,697	317,464
Total comprehensive income attributable to non-controlling interests		259,996	456,874
Total comprehensive income		2,594,693	774,338
Earnings per share			
Earnings per share currency unit		**Cents**	**Cents**
Basic and diluted	11	1.12	0.19

The accompanying notes form an integral part of these financial statements.

Statements of **Financial Position**

As At 30 June 2020

	Notes	Group 2020 $	Group 2019 $	Company 2020 $	Company 2019 $
ASSETS					
Non-current assets					
Property, plant and equipment	12	6,887,885	6,448,122	316,701	198,984
Right-of-use assets	13	2,872,693	–	57,974	–
Investment properties	14	–	–	3,569,376	3,666,502
Investment in subsidiaries	15	–	–	5,877,632	5,877,632
Intangible assets	16	6,009,680	2,699,448	–	–
Deferred tax assets	10C	75,677	104,858	–	–
Total non-current assets		15,845,935	9,252,428	9,821,683	9,743,118
Current assets					
Inventories	17	2,848,885	1,427,122	4,100	4,100
Financial assets – derivatives	18	8,276	–	–	–
Trade and other receivables	19	9,810,220	9,879,896	5,723,909	3,613,866
Income tax receivables		84,787	–	–	–
Other non-financial assets	20	620,981	627,233	50,080	17,660
Cash and cash equivalents	21	16,336,400	14,292,130	5,411,103	6,360,489
Total current assets		29,709,549	26,226,381	11,189,192	9,996,115
Total assets		45,555,484	35,478,809	21,010,875	19,739,233
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	22	14,684,250	14,684,250	14,684,250	14,684,250
Retained earnings		8,992,863	6,658,228	1,046,277	105,331
Other reserves	23	(4,653,493)	(4,653,555)	–	–
Equity, attributable to owners of the parent		19,023,620	16,688,923	15,730,527	14,789,581
Non-controlling interests		862,287	(365,099)	–	–
Other reserve	28A	(526,136)	–	–	–
Total equity		19,359,771	16,323,824	15,730,527	14,789,581
Non-current liabilities					
Financial liabilities – lease liabilities	13	1,373,634	–	20,462	–
Loans and borrowings	24	5,481,560	4,013,388	2,214,953	2,268,086
Deferred tax liabilities	10C	138,788	23,333	–	–
Total non-current liabilities		6,993,982	4,036,721	2,235,415	2,268,086
Current liabilities					
Income tax payable		527,368	365,448	–	–
Trade and other payables	25	14,879,571	13,506,834	2,795,147	2,523,805
Provision	26	135,000	53,620	–	–
Other non-financial liabilities	27	1,301	42,108	–	–
Financial liabilities – lease liabilities	13	1,558,654	–	38,429	–
Loans and borrowings	24	2,099,837	1,150,254	211,357	157,761
Total current liabilities		19,201,731	15,118,264	3,044,933	2,681,566
Total liabilities		26,195,713	19,154,985	5,280,348	4,949,652
Total equity and liabilities		45,555,484	35,478,809	21,010,875	19,739,233

The accompanying notes form an integral part of these financial statements.

Statements of **Changes in Equity**

Year Ended 30 June 2020

Group:	Total equity	Sub-total	Share capital	Retained earnings	Other reserves	Non-controlling interests	Other reserves #A
		Attributable to owners of the parent					
	$	$	$	$	$	$	$
Current year:							
Opening balance at 1 July 2019	16,323,824	16,688,923	14,684,250	6,658,228	(4,653,555)	(365,099)	–
Changes in equity:							
Total comprehensive income for the year	2,594,693	2,334,697	–	2,334,635	62	259,996	–
Dividends paid to non-controlling interests in subsidiaries	(64,500)	–	–	–	–	(64,500)	–
Acquisition of subsidiary (Note 28A)	505,754	–	–	–	–	1,031,890	(526,136)
Closing balance at 30 June 2020	19,359,771	19,023,620	14,684,250	8,992,863	(4,653,493)	862,287	(526,136)

#A: This amount relates to a reserve for an obligation which arose from a put option written with certain non-controlling shareholders of Jaga-Me Pte. Ltd. ("Jaga-Me") arising from the acquisition of Jaga-Me during the reporting year as disclosed in Note 28A.

Statements of **Changes in Equity**

Year Ended 30 June 2020

Group:	Total equity	Attributable to parent: Sub-total	Share capital	Retained earnings	Other reserves	Non-controlling interests
	$	$	$	$	$	$
Previous year:						
Opening balance at 1 July 2018	6,971,528	6,765,603	1,950,000	6,340,625	(1,525,022)	205,925
Changes in equity:						
Total comprehensive income for the year	774,338	317,464	–	317,603	(139)	456,874
Capitalisation of dividend payable to shareholders (Note 1.2)	2,733,500	2,733,500	2,733,500	–	–	–
Issuance of shares pursuant to capitalisation of loan (Note 1.3)	72,500	72,500	72,500	–	–	–
Issuance of shares pursuant to the acquisition of subsidiaries as part of the Restructuring (Note 1.4)	3,964,632	3,964,632	3,964,632	–	–	–
Issuance of new shares pursuant to IPO	6,400,000	6,400,000	6,400,000	–	–	–
Capitalisation of IPO expenses pursuant to issuance of new shares	(436,382)	(436,382)	(436,382)	–	–	–
Issue of share capital by non-controlling interest in a subsidiary	5,800	–	–	–	–	5,800
Dividends paid to non-controlling interests in subsidiaries	(197,460)	–	–	–	–	(197,460)
Acquisition of non-controlling interests without a change in control (Note 28B)	(3,964,632)	(3,128,394)	–	–	(3,128,394)	(836,238)
Closing balance at 30 June 2019	16,323,824	16,688,923	14,684,250	6,658,228	(4,653,555)	(365,099)

The accompanying notes form an integral part of these financial statements.

Statements of
Changes in Equity

Year Ended 30 June 2020

Company	**Total equity $**	**Share capital $**	**Retained earnings $**
Current year:			
Opening balance at 1 July 2019	14,789,581	14,684,250	105,331
Changes in equity:			
Total comprehensive income for the year	940,946	–	940,946
Closing balance at 30 June 2020	15,730,527	14,684,250	1,046,277
Previous year:			
Opening balance at 1 July 2018	3,696,234	1,950,000	1,746,234
Changes in equity:			
Total comprehensive loss for the year	(1,640,903)	–	(1,640,903)
Capitalisation of dividend payable to shareholders (Note 1.2)	2,733,500	2,733,500	–
Issuance of shares pursuant to capitalisation of loan (Note 1.3)	72,500	72,500	–
Issuance of shares pursuant to the acquisition of subsidiaries as part of the Restructuring (Note 1.4)	3,964,632	3,964,632	–
Issuance of new shares pursuant to IPO	6,400,000	6,400,000	–
Capitalisation of IPO expenses pursuant to issuance of new shares	(436,382)	(436,382)	–
Closing balance at 30 June 2019	14,789,581	14,684,250	105,331

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of **Cash Flows**

Year Ended 30 June 2020

	Group	
	2020	2019
	$	$
Cash flows from operating activities		
Profit before tax	2,998,222	1,250,497
Adjustments for:		
Depreciation of property, plant and equipment	830,280	814,948
Depreciation of right-of-use assets	1,520,736	–
Amortisation of intangible assets	84,063	26,205
(Gain)/loss on disposal of plant and equipment	(3,807)	52,019
Interest expense	153,519	131,034
Lease interest expense	125,341	–
Rental rebates	(327,022)	–
Interest income	(8,367)	–
Expenses in connection with IPO	–	1,236,014
Operating cash flows before changes in working capital	5,372,965	3,510,717
Inventories	(1,417,076)	(218,747)
Trade and other receivables	104,426	(1,725,966)
Other non-financial assets	6,252	161,283
Trade and other payables	396,866	1,449,286
Other non-financial liabilities	(54,186)	4,098
Provision	81,380	14,881
Net effect of exchange rate changes in consolidating foreign operations	134	736
Net cash flows from operations	4,490,761	3,196,288
Income tax paid	(319,522)	(260,802)
Net cash flows from operating activities	4,171,239	2,935,486
Cash flows from investing activities		
Interest received	8,367	–
Disposal of property, plant and equipment	6,451	8,980
Acquisition of subsidiaries (net of cash acquired) (Note 28A)	(1,324,339)	–
Purchase of property, plant and equipment (Notes 12 and 21B)	(1,030,107)	(2,379,891)
Net cash flows used in investing activities	(2,339,628)	(2,370,911)

Consolidated Statement of **Cash Flows**

Year Ended 30 June 2020

	Group	
	2020	2019
	$	$
Cash flows from financing activities		
Gross proceeds from issuance of new shares pursuant to IPO	–	6,400,000
IPO expenses paid	–	(1,672,396)
Cash restricted in use	(25,000)	–
Lease liabilities – principal and interest paid	(1,260,157)	–
Movements in amount due to ultimate parent company	–	(33,324)
Movements in amount due to related parties	(125,370)	(272,419)
Movements in amount due to directors	33,750	(252,503)
Increase in borrowings	2,450,000	1,600,000
Decrease in other financial liabilities	(633,441)	(508,089)
Contribution by non-controlling interest	–	5,800
Finance lease repayments	(34,104)	(45,123)
Dividends paid to non-controlling interests	(64,500)	(197,460)
Interest paid	(153,519)	(131,034)
Net cash flows from financing activities	187,659	4,893,452
Net increase in cash and cash equivalents	2,019,270	5,458,027
Cash and cash equivalents, statement of cash flows, beginning balance	14,292,130	8,834,103
Cash and cash equivalents, statement of cash flows, ending balance (Note 21A)	16,311,400	14,292,130

The accompanying notes form an integral part of these financial statements.

1. GENERAL

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the company is that of investment holding and health related services.

The company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are described in the notes to financial statements below.

The registered office is: 25 Bukit Batok Crescent #07-12 The Elitist, Singapore 658066. The company is situated in Singapore.

Prior to the initial public offering ("IPO") of the company in the previous reporting year, a restructuring of the business was undertaken as set out below.

Business Restructuring

1.1 Share Split

On 30 October 2018, each of the ordinary shares of the company was sub-divided into 85 shares. Following the Share Split, the issued and paid-up share capital was $1,950,000 comprising 148,277,740 shares.

1.2 Dividend Capitalisation

On 31 October 2018, the company undertook the Dividend Capitalisation pursuant to which an amount of $2,733,500 which was declared as a dividend on 31 May 2014 but which had not been paid to the then existing shareholders of the company was capitalised by way of the issuance of 5,383,856, 806,831, 1,741,087, 2,896,686, and 561,124 shares to Dr. Barry Thng Lip Mong, Dr. Goh Tiong Jin, Dr. Yun Kok Onn, Dr. Loh Cher Zoong and Dr. Goh Chyen Chye, respectively.

1.3 Loan Capitalisation

Prior to Restructuring, the company undertook a loan capitalisation pursuant to which an amount of $72,500 owed by the group to Mr. Wong Chien Yeh, the Head of Pharmaceutical Services, was capitalised by way of the issuance of 362,500 shares to Mr. Wong (the "Loan Capitalisation").

1.4 Restructuring

A Restructuring was undertaken to, among others, rationalise and streamline the business structure within the group for the IPO. The Restructuring comprised, among others, the following:

(a) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Goh Chee Hwei, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Goh 2,500 ordinary shares in My Family Clinic (TPY) Pte. Ltd., representing 25.0% of the issued share capital of My Family Clinic (TPY) Pte. Ltd., for a consideration of $296,496.46, which was based on the pro rata share of the earnings of My Family Clinic (TPY) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 1,185,986 shares, credited as fully paid, to Dr. Goh;

1. GENERAL (CONT'D)

(b) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Ang Corey Damien, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Ang 10,000 ordinary shares in My Family Clinic (RV) Pte. Ltd., representing 10.0% of the issued share capital of My Family Clinic (RV) Pte. Ltd., for a consideration of $97,063.90, which was based on the pro rata share of the earnings of My Family Clinic (RV) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 388,256 shares, credited as fully paid, to Dr. Ang;

(c) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Ang Corey Damien, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Ang 1,000 ordinary shares in My Family Clinic (Hougang Central) Pte. Ltd., representing 10.0% of the issued share capital of My Family Clinic (Hougang Central) Pte. Ltd., for an aggregate consideration of $246,702.14, which was based on the pro rata share of the earnings of My Family Clinic (Hougang Central) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 986,809 shares, credited as fully paid, to Dr. Ang;

(d) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Yeo Thoont Kiat, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Yeo 1,500 ordinary shares in My Family Clinic (PN) Pte. Ltd., representing 15.0% of the issued share capital of My Family Clinic (PN) Pte. Ltd., for a consideration of $107,539.20, which was based on the pro rata share of the earnings of My Family Clinic (PN) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 430,157 shares, credited as fully paid, to Dr. Yeo;

(e) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Mok Kan Hwei, Paul, Alliance Specialist Group Pte. Ltd., a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Mok 8,000 ordinary shares in My ENT Specialist Pte. Ltd., representing 40.0% of the issued share capital of My ENT Specialist Pte. Ltd., for a consideration of $1,649,740.00, which was based on the pro rata share of the earnings of My ENT Specialist Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 6,598,960 shares, credited as fully paid, to Dr. Mok; and

(f) By a share purchase agreement dated 28 March 2019 entered into between the company and Mr. Wong Chien Yeh, the company acquired from Mr. Wong 65,000 ordinary shares in Alliance Pharm Pte. Ltd., representing 25.0% of the issued share capital of Alliance Pharm Pte. Ltd., for a consideration of $1,567,090.00, which was based on the pro rata share of the earnings of Alliance Pharm Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 6,268,360 shares, credited as fully paid, to Mr. Wong.

On 16 May 2019, Alliance Medical Group Pte Ltd and Alliance Specialist Group Pte. Ltd. allotted and issued 750,000 new shares and 1,649,740 new shares, respectively, to the company. These shares were issued pursuant to a capitalisation of $747,801.70 and $1,649,740.00 owed by Alliance Medical Group Pte Ltd and Alliance Specialist Group Pte. Ltd., respectively, to the company in connection with the Restructuring.

Immediately upon completion of the Dividend Capitalisation, the Loan Capitalisation and the Restructuring, the issued and paid-up share capital was $8,720,632 comprising 175,888,352 shares.

1. GENERAL (CONT'D)

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS (I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

1. GENERAL (CONT'D)

Covid-19 pandemic and the aftermath

The Covid-19 pandemic and the aftermath of the pandemic globally forced the reporting entity to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by governments to contain the spread of Covid-19, including travel restrictions, social distancing and closure of non-essential services. This resulted in an economic slowdown, which has adversely impacted the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets and the completeness or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). The recoverability of the assets and the ability of the entity to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by Singapore and the affected countries overseas to successfully meet those economic challenges. As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the entity's businesses and the countries where the reporting entity operates.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset.

Sale of goods – Revenue from the sale of consumables and medical supplies, pharmaceutical products (including medicines and healthcare supplements) as well as medical devices, are recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods.

Services – Revenue from the rendering of medical services and managed healthcare solutions is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The useful lives are as follows:

Leasehold properties	–	44 to 59 years
Computers and office equipment	–	2 to 3 years
Warehouse equipment	–	3 years
Furniture and fittings	–	3 years
Medical equipment	–	3 years
Motor vehicles	–	6 years
Renovation	–	3 years
Website and IT software	–	3 to 10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rate of depreciation is as follows:

Office space, clinic premises and warehouses	–	2 to 5 years

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Investment properties

Investment properties are properties (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes only, the fair values are measured periodically on a systematic basis by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The useful lives are as follows:

Leasehold properties	–	44 years

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives is as follows:

Customer relationship	–	5 years
Unpatented technology	–	7 years

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss. For business combinations achieved in stages, any equity interest held in the acquiree is remeasured immediately before achieving control at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest Level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Put option financial liability

Where the group writes put options with non-controlling shareholders of subsidiaries, entitling the non-controlling shareholders concerned to sell their equity interests in the subsidiaries back to the group for settlement in cash or another financial asset within a stipulated period upon the occurrence of specified conditions or events, the group recognises a liability based on the present value of the redemption amount of the put options. Subsequent to initial recognition of the financial liability, the group has adopted an accounting policy to recognise the changes in the present value of the put option financial liabilities in equity. If the put option expires unexercised, then the put option financial liability is derecognised, with a corresponding credit to equity.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessment of impairment of goodwill:
The amount of goodwill is tested annually for impairment. This annual impairment test is significant and the process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. The disclosures about goodwill are included in Note 16, which explains that small changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future. Actual outcomes could vary from these estimates.

Allowance for trade receivables:
The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. In addition for the larger amounts with customers, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the note on trade and other receivables.

Income tax amounts:
The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Useful lives of plant and equipment:
The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset at the end of the reporting year affected by the assumption is $6,887,885 (2019: $6,448,122).

Put option liability payable consideration:
The group has put options with certain non-controlling shareholders of Jaga-Me Pte. Ltd. ("Jaga-Me"). The put option provides the non-controlling shareholders concerned the right to require the group to acquire shares owned by the non-controlling shareholders concerned. This right is exercisable between 2021 to 2023 and may be exercised when certain conditions are met. The conditions of the put options are as disclosed in Note 28A.

As at the end of the reporting year, the group has recognised a put option liability payable consideration of $878,562 as disclosed in Note 25 based on the probability assessed by management of Jaga-Me achieving the conditions of the put options. This involves the management making assumptions of the forecasted revenue growth and profitability of Jaga-Me. Actual outcomes could vary from these estimates.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group:

Name	Relationship	Country of incorporation
Alpine Investment Holdings Pte. Ltd.	Parent company and ultimate parent company	Singapore

Related companies in these financial statements include the members of the above group of companies.

The ultimate controlling party is Dr. Barry Thng Lip Mong, a director and significant shareholder.

3B. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group	
	2020 $	2019 $
Related parties:		
Professional fees expenses	2,863,255	3,053,609
Rental expenses	36,000	36,000

The professional fee expenses were paid/payable to entities controlled by certain directors or shareholders of the company's subsidiaries. In 2019, the above includes professional fee expenses paid to an entity controlled by a director of the company for medical services rendered.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3C. Key management compensation:

	2020 $	2019 $
Group:		
Salaries and other short-term employee benefits	2,278,811	2,149,291

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	2020 $	2019 $
Group:		
Fees to directors of the company	150,000	72,862
Remuneration of directors of the company	1,346,883	1,434,542

Key management personnel are the directors that have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Group	
	Directors	
	2020 $	2019 $
Other payables:		
At beginning of the year	(41,250)	(2,301,083)
Capitalisation of dividend payable to shareholders (Note 1.2)	–	1,987,330
Amounts paid in and settlement of liabilities on behalf of the group	(150,000)	(74,583)
Amounts paid out and settlement of liabilities on behalf of directors	116,250	327,086
Other adjustments	–	20,000
At end of the year (Note 25)	(75,000)	(41,250)

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3D. Other receivables from and other payables to related parties: (cont'd)

	Group	
	Related parties	
	2020 $	2019 $
Other payables:		
At beginning of the year	(121,000)	(1,127,489)
Capitalisation of dividend payable to shareholders (Note 1.2)	–	746,170
Amounts paid in and settlement of liabilities on behalf of the group	(97,730)	(210,635)
Amounts paid out and settlement of liabilities on behalf of related parties	121,000	490,954
Other adjustments	–	(20,000)
At end of the year (Note 25)	(97,730)	(121,000)

	Company	
	Directors	
	2020 $	2019 $
Other payables:		
At beginning of the year	(41,250)	(2,221,083)
Capitalisation of dividend payable to shareholders (Note 1.2)	–	1,987,330
Amounts paid in and settlement of liabilities on behalf of the company	(150,000)	(41,250)
Amounts paid out and settlement of liabilities on behalf of directors	116,250	233,753
At end of the year (Note 25)	(75,000)	(41,250)

	Company	
	Subsidiaries	
	2020 $	2019 $
Other receivables:		
At beginning of the year	–	1,184,748
Amounts paid in and settlement of liabilities on behalf of the company	–	(1,334,748)
Amounts paid out and settlement of liabilities on behalf of subsidiaries	945,000	150,000
At end of the year (Note 19)	945,000	–

The related parties' other payables amount are owing to non-controlling interests of certain subsidiaries and shareholders of the ultimate parent company.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services:

(1) GP clinic services;
(2) specialist care services;
(3) managed healthcare solutions;
(4) pharmaceutical services;
(5) mobile and digital health services; and
(6) others

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

The GP clinic services segment is in the business of provision of primary healthcare medical services by general practitioners.

The specialist care services segment is in the business of provision of medical services by specialists.

The managed healthcare solutions segment is in the business of providing managed healthcare solutions to corporations and insurance companies by establishing an extensive network of medical service providers to deliver healthcare services to the employees of corporations, or as the case may be, insured members of policyholders of insurance companies.

The pharmaceutical services segment is in the business of wholesale of pharmaceutical products services (including medicines and health supplements) as well as medical devices.

The mobile and digital health services segment is in the business of making medical care within reach through mobile and home care services.

The others segment is in the business of investment holding and provision of administrative and management services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary financial performance measurement to evaluate segment's operating results comprises one major financial indicator: earnings before interest expense, tax, depreciation and amortisation ("EBITDA"). The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Primary analysis by business segment

	GP clinic services	Specialist care services	Managed healthcare solutions	Pharmaceutical services	Mobile and digital health services	Others	Eliminations	Group
	$	$	$	$	$	$	$	$
2020								
Revenue by segment								
External sales	15,538,065	8,934,419	4,894,683	12,263,657	1,152,724	–	–	42,783,548
Inter-segment sales	1,070	–	136,770	2,573,598	–	3,561,458	(6,272,896)	–
Total revenue	15,539,135	8,934,419	5,031,453	14,837,255	1,152,724	3,561,458	(6,272,896)	42,783,548
EBITDA	2,563,590	1,331,387	713,418	1,442,418	(262,091)	(76,561)	–	5,712,161
Finance costs	(144,873)	(35,486)	(1,239)	(4,269)	(68,920)	(24,073)	–	(278,860)
Depreciation and amortisation	(1,245,094)	(506,991)	(165,720)	(73,169)	(130,060)	(314,045)	–	(2,435,079)
Profit (loss) before tax	1,173,623	788,910	546,459	1,364,980	(461,071)	(414,679)	–	2,998,222
Income tax expense								(403,591)
Profit, net of tax								2,594,631
Segment assets	11,439,096	3,772,949	9,443,340	7,272,280	6,155,097	19,240,308	(11,767,586)	45,555,484
Segment liabilities	(7,518,876)	(2,303,643)	(7,135,145)	(4,249,147)	(5,574,442)	(5,280,350)	5,865,890	(26,195,713)
Other material items and reconciliations								
Expenditures for property, plant and equipment	132,414	74,498	150,257	163,767	448,818	297,753	–	1,267,507

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Primary analysis by business segment (cont'd)

	GP clinic services	Specialist care services	Managed healthcare solutions	Pharmaceutical services	Others	Eliminations	Group
	$	$	$	$	$	$	$
2019							
Revenue by segment							
External sales	16,590,950	7,430,403	5,261,014	7,229,190	–	–	36,511,557
Inter-segment sales	3,772	–	151,065	2,698,338	1,905,614	(4,758,789)	–
Total revenue	16,594,722	7,430,403	5,412,079	9,927,528	1,905,614	(4,758,789)	36,511,557
EBITDA	712,500	845,659	1,334,843	645,508	(1,315,826)	–	2,222,684
Finance costs	(72,809)	–	–	(6,233)	(51,992)	–	(131,034)
Depreciation and amortisation	(273,929)	(88,977)	(180,592)	(18,823)	(278,832)	–	(841,153)
Profit (loss) before tax	365,762	756,682	1,154,251	620,452	(1,646,650)	–	1,250,497
Income tax expense							(476,020)
Profit, net of tax							774,477
Segment assets	8,292,112	2,726,550	15,000,017	3,092,819	17,965,104	(11,597,793)	35,478,809
Segment liabilities	(4,911,765)	(1,448,171)	(13,229,038)	(838,201)	(4,949,650)	6,221,840	(19,154,985)
Other material items and reconciliations							
Expenditures for property, plant and equipment	2,212,885	71,534	56,760	15,750	22,962	–	2,379,891

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4C. Geographical information

	Revenue		Non-current assets	
	2020 $	2019 $	2020 $	2019 $
Singapore	40,623,810	35,036,267	15,819,972	9,240,189
Others [(1)]	2,159,738	1,475,290	25,963	12,239
Total	42,783,548	36,511,557	15,845,935	9,252,428

[(1)] "Others" include Germany, Hong Kong, Japan, Malaysia and Thailand.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.

4D. Information about major customers

The major customers of the group by revenue are as follows:

	2020 $	2019 $
Top 1 customer	1,679,400	1,241,703
Top 2 customer	1,408,397	753,216
Top 3 customer	1,181,767	567,500

5. REVENUE

	Group	
	2020 $	2019 $
Rendering of services		
- Medical services	24,472,484	24,021,353
- Managed healthcare solutions services	4,894,683	5,261,014
- Mobile and digital health services	1,152,724	–
Sale of goods	12,263,657	7,229,190
Total revenue	42,783,548	36,511,557

The revenue from rendering of medical services (including the sale of consumable and medical supplies), managed healthcare solutions services, mobile and digital health services (including the sale of consumable and medical supplies) and sale of goods comprising pharmaceutical products (including medicines and health supplements) as well as medical devices, are recognised based on point in time. The customers are medical services providers, insurance companies, corporate entities and individuals.

6. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2020 $	2019 $
Allowance/(reversal of allowance) for impairment on trade receivables	(4,289)	7,618
Bad debts written off trade receivables	(1,010)	(7,887)
Foreign exchange transaction gains	42,481	57,810
Government grants	1,603,888	258,676
Gain/(loss) on disposal of plant and equipment	3,807	(52,019)
Other income	4,152	2,585
PIC cash payouts	–	27,451
Rental rebates	327,022	–
Other losses	(487)	–
Net	1,975,564	294,234
Presented in profit and loss as:		
Other income and gains	1,981,350	354,140
Other losses	(5,786)	(59,906)
Net	1,975,564	294,234

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2020 $	2019 $
Short term employee benefits expense	19,348,801	17,052,670
Contributions to defined contribution plan	1,511,599	1,313,235
Other benefits	227,956	241,739
Total employee benefits expense	21,088,356	18,607,644

Employee benefits expense includes fees paid to locum doctors for medical services rendered and professional fees for medical services rendered.

8. FINANCE COSTS

	Group	
	2020 $	2019 $
Interest expense	153,519	131,034
Lease interest expense	125,341	–
	278,860	131,034

9. OTHER EXPENSES

The major components include the following:

	Group	
	2020	2019
	$	$
Advertising and marketing expenses	427,124	358,308
Rental charges	400,378	1,922,343
IPO expenses	–	1,236,014

10. INCOME TAX

10A. Components of tax expense recognised in profit or loss include:

	Group	
	2020	2019
	$	$
Current tax expense:		
Current tax expense	433,915	379,596
Over adjustments to current tax in respect of prior period	(37,260)	(43,979)
Subtotal	396,655	335,617
Deferred tax expense:		
Deferred tax expense	6,936	140,403
Subtotal	6,936	140,403
Total income tax expense	403,591	476,020

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	2019
	$	$
Profit before tax	2,998,222	1,250,497
Income tax expense at the above rate	509,698	212,584
Income not subject to tax	(189,490)	(4,454)
Expenses not deductible for tax purposes	32,464	260,512
Unrecognised deferred tax assets	235,165	314,467
Tax exemptions and incentives	(157,289)	(171,052)
Over adjustments to tax in respect of prior periods	(37,260)	(43,979)
Others	10,303	(92,058)
Total income tax expense	403,591	476,020

10. INCOME TAX (CONT'D)

10B. Deferred tax expense recognised in profit or loss includes:

	Group	
	2020 $	2019 $
Excess of book over tax depreciation on plant and equipment	(1,235)	(32,725)
Excess of tax over book depreciation on plant and equipment	(40,034)	(242,592)
Productivity innovation credits	39,803	207,913
Tax losses carryforwards	(195,605)	(58,997)
Others	(31,158)	(47,663)
Unrecognised deferred tax assets	235,165	314,467
Total deferred income tax expense recognised in profit or loss	6,936	140,403

10C. Deferred tax balance in the statement of financial position:

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
From deferred tax (liabilities) asset recognised in profit or loss:				
Excess of net book value of plant and equipment over tax values	(29,029)	(30,264)	–	–
Excess of tax values over net book value of plant and equipment	282,626	242,592	187,876	184,729
Productivity innovation credits	361,364	401,167	361,364	376,479
Tax losses carryforwards	433,510	237,905	115,326	12,812
Others	44,377	13,219	–	–
Unrecognised deferred tax assets	(1,009,385)	(774,220)	(664,566)	(574,020)
Subtotal	83,463	90,399	–	–
From deferred tax liabilities arising from acquisition of subsidiaries:				
Intangible assets arising from acquisition of subsidiaries	(146,574)	(8,874)	–	–
Net total of deferred tax (liabilities) assets	(63,111)	81,525	–	–

10. INCOME TAX (CONT'D)

10C. Deferred tax balance in the statement of financial position: (cont'd)

	Group	
	2020	2019
	$	$
Presented in statement of financial position as:		
Deferred tax liabilities	(138,788)	(23,333)
Deferred tax assets	75,677	104,858
	(63,111)	81,525

Unrecognised deferred tax assets relates to the following items:

	Group	
	2020	2019
	$	$
Unused tax losses available	2,550,059	786,295
Unutilised capital allowances	2,125,671	3,636,694
Others	1,261,829	131,249
	5,937,559	4,554,238

No deferred tax assets for the tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the remaining for the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised. The above are in respect of Singapore companies and the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

There are no income tax consequences of dividends to owners of the company.

11. EARNINGS PER SHARE

The following table illustrates the numerator and denominator used to calculate basic and diluted amount per share of no par value:

	2020 $	2019 $
Numerator:		
Profit attributable to owners of the parent, net of tax	2,334,635	317,603
Denominator: weighted average number of equity shares		
Basic	207,888,352	164,571,674

The weighted average number of ordinary shares outstanding as at 30 June 2019 have been adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective reporting years.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties $	Computers and office equipment $	Warehouse equipment $	Furniture and fittings $	Medical equipment $	Motor vehicles $	Renovation $	Website and IT software $	Total $
Cost:									
At 1 July 2018	4,233,069	1,879,438	–	576,440	412,259	145,881	933,380	1,864,190	10,044,657
Additions	2,102,100	71,919	–	41,939	31,887	–	99,421	32,625	2,379,891
Disposals	–	(22,239)	–	(44,029)	(29,378)	–	(103,161)	–	(198,807)
Foreign exchange adjustments	–	(668)	–	–	–	–	(439)	(173)	(1,280)
At 30 June 2019	6,335,169	1,928,450	–	574,350	414,768	145,881	929,201	1,896,642	12,224,461
Reclassification	–	(8,630)	8,630	–	–	–	–	–	–
Additions	–	348,550	33,578	45,964	82,513	70,764	142,357	543,781	1,267,507
Disposals	–	(22,540)	–	–	(2,046)	(64,192)	–	(1,110)	(89,888)
Acquisition of subsidiary	–	2,959	–	2,293	–	–	–	–	5,252
Foreign exchange adjustments	–	(139)	–	–	–	–	(88)	(34)	(261)
At 30 June 2020	6,335,169	2,248,650	42,208	622,607	495,235	152,453	1,071,470	2,439,279	13,407,071
Accumulated depreciation:									
At 1 July 2018	469,441	1,680,214	–	493,983	310,671	95,961	734,834	1,314,500	5,099,604
Depreciation for the year	129,694	227,157	–	49,508	58,640	13,614	113,357	222,978	814,948
Disposals	–	(21,096)	–	(28,860)	(26,318)	–	(61,534)	–	(137,808)
Foreign exchange adjustments	–	(263)	–	–	–	–	(98)	(44)	(405)
At 30 June 2019	599,135	1,886,012	–	514,631	342,993	109,575	786,559	1,537,434	5,776,339
Reclassification	–	(7,430)	7,430	–	–	–	–	–	–
Depreciation for the year	132,654	189,858	7,175	45,831	60,896	19,512	132,425	241,929	830,280
Disposals	–	(22,540)	–	–	(512)	(64,192)	–	–	(87,244)
Foreign exchange adjustments	–	(120)	–	–	–	–	(49)	(20)	(189)
At 30 June 2020	731,789	2,045,780	14,605	560,462	403,377	64,895	918,935	1,779,343	6,519,186
Carrying value:									
At 1 July 2018	3,763,628	199,224	–	82,457	101,588	49,920	198,546	549,690	4,945,053
At 30 June 2019	5,736,034	42,438	–	59,719	71,775	36,306	142,642	359,208	6,448,122
At 30 June 2020	5,603,380	202,870	27,603	62,145	91,858	87,558	152,535	659,936	6,887,885

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computers and office equipment $	Furniture and fittings $	Renovation $	IT software $	Total $
Cost:					
At 1 July 2018	1,032,681	223,130	285,484	815,000	2,356,295
Additions	9,792	2,720	2,150	8,300	22,962
At 30 June 2019	1,042,473	225,850	287,634	823,300	2,379,257
Additions	271,595	12,478	13,680	–	297,753
Disposals	(3,700)	–	–	–	(3,700)
At 30 June 2020	1,310,368	238,328	301,314	823,300	2,673,310
Accumulated depreciation:					
At 1 July 2018	927,891	222,613	283,863	564,200	1,998,567
Depreciation for the year	95,109	743	2,048	83,806	181,706
At 30 June 2019	1,023,000	223,356	285,911	648,006	2,180,273
Depreciation for the year	99,776	2,626	2,617	75,017	180,036
Disposals	(3,700)	–	–	–	(3,700)
At 30 June 2020	1,119,076	225,982	288,528	723,023	2,356,609
Carrying value:					
At 1 July 2018	104,790	517	1,621	250,800	357,728
At 30 June 2019	19,473	2,494	1,723	175,294	198,984
At 30 June 2020	191,292	12,346	12,786	100,277	316,701

The leasehold properties of the group at a carrying value of $5,603,380 (2019: $5,736,034) are mortgaged or pledged as security for bank facilities (see Note 24).

13. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES

The leases are for office space, clinic premises and warehouses. The lease contracts are usually for fixed periods of 3 to 5 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

At the date of transition to the new standard on leases, management elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition (applied to leases previously classified as finance leases or operating leases). The lease liability above does not include the short-term leases and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

13. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

The right-of-use assets and lease liabilities are in the statement of financial position. The movements are as follows:

	Group		Company	
	Right-of-use assets $	Lease liabilities $	Right-of-use assets $	Lease liabilities $
Cost:				
At 1 July 2019	2,535,397	2,535,397	100,420	100,420
Additions	1,826,976	1,826,976	–	–
Acquisition of a new subsidiary	31,056	31,056	–	–
Accretion of interest	–	125,341	–	2,684
Lease payment – principal and interest portion paid	–	(1,260,157)	–	(44,213)
Rental rebates	–	(327,022)	–	–
Other adjustments	–	697	–	–
At 30 June 2020	4,393,429	2,932,288	100,420	58,891
Accumulated depreciation:				
At 1 July 2019	–	–	–	–
Depreciation for the year	1,520,736	–	42,446	–
At 30 June 2020	1,520,736	–	42,446	–
Carrying value:				
At 1 July 2019	2,535,397	2,535,397	100,420	100,420
At 30 June 2020	2,872,693	2,932,288	57,974	58,891

Lease liabilities are presented in the statement of financial position as follows:

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Lease liabilities, current	1,558,654	–	38,429	–
Lease liabilities, non-current	1,373,634	–	20,462	–
	2,932,288	–	58,891	–

The new standard on leases has been applied using the modified retrospective transition approach. Therefore, no comparative amounts for the reporting year ended 30 June 2019 are presented.

On transition to the new standard on leases the weighted average incremental borrowing rate applied to lease liabilities recognised was 4.5% per annum. The finance leases, right-of-use assets and lease liabilities before the date of initial application are measured at the same amounts as under the new standard.

13. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

Reconciliation of lease commitments and lease liabilities at the date of initial application:

	Group
	2020
	$
Operating lease commitments as at 30 June 2019	2,999,774
Relief option for short-term leases	(321,335)
Subtotal – Operating lease liabilities before discounting	2,678,439
Discounted using incremental borrowing rate	(143,042)
Total lease liabilities recognised at 1 July 2019	2,535,397

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

Group	Minimum payments	Finance charges	Present value
	$	$	$
2020:			
Minimum lease payments payable:			
Due within 1 year	1,648,178	(89,524)	1,558,654
Due within 2 to 5 years	1,420,453	(46,819)	1,373,634
Total	3,068,631	(136,343)	2,932,288

Company	Minimum payments	Finance charges	Present value
	$	$	$
2020:			
Minimum lease payments payable:			
Due within 1 year	39,842	(1,413)	38,429
Due within 2 to 5 years	20,608	(146)	20,462
Total	60,450	(1,559)	58,891

Total cash outflows for leases for the reporting year ended 30 June 2020 are shown in the statement of cash flows.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

Notes to The
Financial Statements
Year Ended 30 June 2020

13. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

Other disclosures on leases:

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group
	2020
	$
Expense relating to short-term leases included in other expenses	400,378
Total commitments on short-term leases at year end date	1,648,178

14. INVESTMENT PROPERTIES

	Company
	$
Cost:	
At 1 July 2018 and 30 June 2019 and 2020	4,233,069
Accumulated depreciation:	
At 1 July 2018	469,441
Depreciation for the year	97,126
At 30 June 2019	566,567
Depreciation for the year	97,126
At 30 June 2020	663,693
Carrying value:	
At 1 July 2018	3,763,628
At 30 June 2019	3,666,502
At 30 June 2020	3,569,376

	Company	
	2020	2019
	$	$
Fair value for disclosure purposes only:		
Fair value at end of the year	4,351,000	4,951,000
Rental income from investment properties	259,237	251,812
Direct operating expenses (including repairs and maintenance) arising from:		
-Rental generating properties	51,410	66,914
-Non-rental generating properties	11,160	14,526
	62,570	81,440

14. INVESTMENT PROPERTIES (CONT'D)

The fair value of the investment properties for the previous reporting year ended 30 June 2019 was measured in August 2019 based on the direct comparison method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by PREMAS Valuers & Property Consultants Pte Ltd, a firm of independent professional valuers on a systematic basis once every two years. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. Management determined that the direct comparison of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

For the current reporting year, management has reassessed the fair value based on the previous reporting year's valuation as set out above and as adjusted for the movement in the relevant property price index during the relevant period.

For fair value measurements categorised within the fair value hierarchy below, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Leasehold properties at 25 Bukit Batok Crescent, Singapore 658066
Fair value and fair value hierarchy – Level:	$4,351,000 (2019: $4,951,000). Level 3 (2019: Level 3)
Valuation technique for recurring fair value measurements:	Direct comparison method as adjusted for movement in the property price index (2019: Direct comparison method)
Significant observable inputs:	Price per square foot. $444 (2019: $505)
Sensitivity on estimates – 10% variation from estimate	Impact – lower by $435,100; higher by $435,100

The investment properties are mortgaged or pledged as security for bank facilities (see Note 24).

The leasehold properties located at 25 Bukit Batok Crescent, Singapore 658066, are classified as investment properties in the company's balance sheet as they are majority leased out. However, in the group's consolidated balance sheet, these leasehold properties are classified as property, plant and equipment (Note 12) as they are leased out to certain subsidiaries within the group.

Notes to The
Financial Statements
Year Ended 30 June 2020

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 $	2019 $
Movements during the year. At cost:		
At beginning of the year	5,877,632	1,463,000
Additions	–	450,000
Issuance of shares for acquisition of non-controlling interests in subsidiaries (Note 1.4)	–	3,964,632
Cost at end of the year	5,877,632	5,877,632
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	5,877,632	5,877,632
Cost at end of the year	5,877,632	5,877,632

The subsidiaries held by the company are listed below:

Name of subsidiaries	Effective percentage of equity held by group		Cost of investment	
	2020 %	2019 %	2020 $	2019 $
Alliance Medinet Pte. Ltd. (a)	100	100	830,000	830,000
Alliance Specialist Group Pte. Ltd. (b)	100	100	1,729,740	1,729,740
Alliance Healthcare Pte. Ltd. (a)	100	100	8,000	8,000
Alliance Pharm Pte. Ltd. (c)	100	100	1,762,090	1,762,090
Alliance Medical Group Pte Ltd (b)	100	100	1,547,802	1,547,802
Held through Alliance Medinet Pte. Ltd.				
Alliance Medinet (M) Sdn. Bhd. (a) (d)	100	100		
Held through Alliance Specialist Group Pte. Ltd.				
Ho Kok Sun Colorectal Pte. Ltd. (e)	100	100		
Lim Jit Fong Colorectal Centre Pte. Ltd. (e)	100	100		
My ENT Specialist Pte. Ltd. (e)	100	100		
Elite Orthopaedics Pte. Ltd. (e)	51	51		
Held through Alliance Healthcare Pte. Ltd.				
Jaga-Me Pte. Ltd. (f)	55	–		

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

The subsidiaries held by the company are listed below (cont'd):

Name of subsidiaries	Effective percentage of equity held by group	
	2020	2019
	%	%
Held through Alliance Medical Group Pte Ltd		
My Family Clinic (RV) Pte. Ltd. (e)	100	100
My Family Clinic (CCK) Pte. Ltd. (e)	100	100
My Family Clinic (WD) Pte. Ltd. (e)	100	100
My Family Clinic (TH) Pte. Ltd. (e)	100	100
My Family Clinic (PN) Pte. Ltd. (e)	100	100
My Family Clinic (SJ) Pte. Ltd. (e)	100	100
My Family Clinic (TPY) Pte. Ltd. (e)	100	100
My Family Clinic (Punggol Central) Pte. Ltd. (e)	100	100
My Family Clinic (Hougang Central) Pte. Ltd. (e)	75	75
My Family Clinic (Angsana Breeze@Yishun) Pte. Ltd. (e)	60	60
My Family Clinic (St George) Pte. Ltd. (e)	100	100
My Family Clinic (Clementi 325) Pte. Ltd. (e)	100	100
My Family Clinic (Woodlands Glen) Pte. Ltd. (e)	100	100
My Corporate Clinic Pte. Ltd. (e) (g)	100	100
Alliance Health Investments Pte. Ltd. (b)	75	75
Held through Alliance Health Investments Pte. Ltd.		
My Family Clinic (Clementi) Pte. Ltd. (e)	53	53
My Family Clinic (Segar) Pte. Ltd. (e)	75	75
My Family Clinic (Anchorvale) Pte. Ltd. (e)	45	45
My Family Clinic (Punggol Waterway Terrace) Pte. Ltd. (e) (h)	75	75

All the subsidiaries are incorporated and operate in Singapore and are audited by RSM Chio Lim LLP except for Alliance Medinet (M) Sdn. Bhd. (incorporated in Malaysia).

(a) The principal activities of these subsidiaries are the provision of managed healthcare solutions.
(b) The principal activities of these subsidiaries are those of an investment holding company and provision of administrative and management services.
(c) The principal activities of this subsidiary is wholesale of pharmaceutical products.
(d) The subsidiary was audited by Messrs. ASQ PLT.
(e) The principal activities of these subsidiaries are provision of medical services.
(f) The principal activities of this subsidiary are the provision of home care medical services.
(g) The subsidiary became dormant after 28 June 2019. The subsidiary changed its name from My Family Clinic (Bukit Batok West) Pte. Ltd. to My Corporate Clinic Pte. Ltd. on 20 August 2020.
(h) The subsidiary has been dormant since 14 July 2018.

16. INTANGIBLE ASSETS

Group	Goodwill	Customer relationship	Unpatented technology	Total
	$	$	$	$
Cost:				
At 1 July 2018 and 30 June 2019	2,606,563	131,027	–	2,737,590
Acquisition of a subsidiary	2,584,295	–	810,000	3,394,295
At 30 June 2020	5,190,858	131,027	810,000	6,131,885
Accumulated amortisation:				
At 1 July 2018	–	11,937	–	11,937
Amortisation for the year	–	26,205	–	26,205
At 30 June 2019	–	38,142	–	38,142
Amortisation for the year	–	26,205	57,858	84,063
At 30 June 2020	–	64,347	57,858	122,205
Carrying value:				
At 1 July 2018	2,606,563	119,090	–	2,725,653
At 30 June 2019	2,606,563	92,885	–	2,699,448
At 30 June 2020	5,190,858	66,680	752,142	6,009,680

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating unit represents the group's investment in the following subsidiaries:

	Group 2020	Group 2019
	$	$
Name of subsidiary:		
"My Family Clinic"		
Alliance Medical Group Pte Ltd (a)	1,101,541	1,101,541
My Family Clinic (PN) Pte. Ltd.	128,951	128,951
My Family Clinic (Hougang Central) Pte. Ltd.	780,000	780,000
My Family Clinic (Clementi 325) Pte. Ltd.	596,071	596,071
Sub-total	2,606,563	2,606,563
Jaga-Me Pte. Ltd.	2,584,295	–
Sub-total	2,584,295	–
Total	5,190,858	2,606,563

(a) Alliance Medical Group Pte Ltd is an investment holding company that holds entities that operate under "My Family Clinic".

The goodwill for each of the cash generating unit was tested for impairment at the end of the reporting year. No impairment allowance was recognised because the carrying amount of each of the cash-generating units were lower than their estimated recoverable amounts.

16. INTANGIBLE ASSETS (CONT'D)

The value in use for each cash generating unit was measured by management. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash-generating units are consistent with those used for the measurement last performed, where relevant, and are set out as follows:

CGU – Entities operating under "My Family Clinic"
Valuation technique and Unobservable inputs

Discounted cash flow method:	**2020**	**2019**
1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	12.5%	9.5%
2. Cash flow forecasts derived from the most recent financial budgets and growth rates approved by management.	5 years 4%	5 years 4%
3. Terminal growth rates not exceeding the average long-term growth rate for the relevant markets.	2%	2%

CGU – Jaga-Me Pte Ltd
Valuation technique and Unobservable inputs

Discounted cash flow method:	**2020**
1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	22%
2. Cash flow forecasts derived from the most recent financial budgets and growth rates approved by management.	5 years 40% – 62%
3. Terminal growth rates not exceeding the average long-term growth rate for the relevant markets.	2%

Actual outcomes could vary from these estimates. If the revised estimated gross margin at the end of the reporting year had been 10% less favourable than management's estimates at the end of the reporting year, the estimated recoverable amount would still be higher than the carrying amount of goodwill. If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 1 percent point less favourable than management's estimates, the estimated recoverable amount would still be higher than the carrying amount of goodwill.

17. INVENTORIES

	Group		**Company**	
	2020 **$**	**2019** **$**	**2020** **$**	**2019** **$**
Consumables and medical/pharmaceutical goods for resale	2,848,885	1,427,122	4,100	4,100
The write-downs of inventories charged to profit or loss included in consumables and medical supplies used	13,928	30,315	–	–

There are no inventories pledged as security for liabilities.

18. FINANCIAL ASSETS – DERIVATIVES

	Group	
	2020 $	2019 $
Derivatives not designated as hedging instruments:		
Call option asset	8,276	–
Movements during the year:		
At beginning of the year	–	–
Additions (Note 28A)	8,276	–
At end of the year	8,276	–

Details of the call option are included in Note 28A. The fair value of the call option was estimated using the Black-Scholes pricing model.

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Trade receivables:				
Outside parties	9,508,194	9,880,213	1,770,568	1,774,128
Less allowance for impairment	(4,606)	(317)	–	–
Subsidiaries	–	–	3,008,341	1,839,738
Subtotal	9,503,588	9,879,896	4,778,909	3,613,866
Other receivables:				
Subsidiaries (Note 3)	–	–	945,000	–
Outside parties	31,059	–	–	–
Accrued income	275,573	–	–	–
Subtotal	306,632	–	945,000	–
Total trade and other receivables	9,810,220	9,879,896	5,723,909	3,613,866
Movements in above allowance on trade receivables:				
At beginning of the year	317	10,584	–	–
Charge for trade receivables to profit or loss included in other income and gains/(other losses)	4,289	–	–	–
Used	–	(2,649)	–	–
Reversal to profit or loss included in other income and gains	–	(7,618)	–	–
At end of year	4,606	317	–	–

19. TRADE AND OTHER RECEIVABLES (CONT'D)

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of $4,606 (2019: $317) is recognised.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There is no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Ageing analysis of trade receivable amounts as at the end of the reporting year:

	Gross amount		Loss allowance	
	2020 $	2019 $	2020 $	2019 $
Group				
Trade receivables:				
Current	5,850,346	5,010,806	–	–
1 to 60 days past due	2,083,486	4,189,589	–	–
61 to 90 days past due	741,408	381,195	–	–
Over 90 days past due	832,954	298,623	4,606	317
Total	9,508,194	9,880,213	4,606	317
Company				
Trade receivables:				
Current	1,325,792	869,761	–	–
1 to 60 days past due	1,058,100	1,620,444	–	–
61 to 90 days past due	666,065	140,186	–	–
Over 90 days past due	1,728,952	983,475	–	–
Total	4,778,909	3,613,866	–	–

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 days (2019: 30 days). But some customers take a longer period to settle the amounts. The balances include amounts due from credit card companies and NETS. For these, the average credit period generally granted is a few days.

19. TRADE AND OTHER RECEIVABLES (CONT'D)

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Top 1 customer	1,572,826	1,832,802	1,572,927	1,744,330
Top 2 customers	2,767,870	3,615,931	2,999,627	2,792,890
Top 3 customers	3,635,215	5,360,164	3,784,714	3,262,406

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Other receivables are normally with no fixed terms and therefore there is no maturity.

20. OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Deposits to secure services	604,578	575,880	16,780	10,790
Prepayments	16,403	51,353	33,300	6,870
	620,981	627,233	50,080	17,660

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Not restricted in use	16,311,400	14,292,130	5,411,103	6,360,489
Cash pledged for bank facilities #a	25,000	–	–	–
Cash at end of the year	16,336,400	14,292,130	5,411,103	6,360,489

#a This is for amounts held by the bankers as security for the Merchant Agreement between the bank and the group.

The interest earning balances are not significant.

21. CASH AND CASH EQUIVALENTS (CONT'D)

21A. Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2020 $	2019 $
Amount as shown above	16,336,400	14,292,130
Less: Bank deposits pledged	(25,000)	–
Cash and cash equivalents for statement of cash flows purposes at the end of the year	16,311,400	14,292,130

21B. Non-cash transactions:

There were acquisitions of certain assets under property, plant and equipment with a total cost of $237,400 (2019: Nil) acquired by means of finance leases.

21C. Reconciliation of liabilities arising from financial activities:

	Group			
	2019 $	Cash flows $	Non-cash changes $	2020 $
Directors	41,250	33,750	–	75,000
Related parties	705,400	(125,370)	500,000	1,080,030
Loans and borrowings	4,579,242	1,816,559	–	6,395,801
Lease liabilities #a	2,535,397	(1,260,157)	1,657,048	2,932,288
Finance lease liabilities	–	(34,104)	237,400	203,296

	2018 $	Cash flows $	Non-cash changes $	2019 $
Directors	2,301,083	(252,503)	(2,007,330)	41,250
Ultimate parent company	33,324	(33,324)	–	–
Related parties	1,776,489	(272,419)	(798,670)	705,400
Loans and borrowings	3,487,331	1,091,911	–	4,579,242
Finance lease liabilities	45,123	(45,123)	–	–

#a Lease liabilities relates to group's first adoption of SFRS(I) 16 on 1 July 2019, using the modified retrospective approach, as set out in Note 13.

22. SHARE CAPITAL

	Group and Company	
	Number of shares issued	Share capital $
Ordinary shares of no par value:		
At beginning of the year 1 July 2018	1,744,444	1,950,000
Share Split (a)	146,533,296	–
	148,277,740	1,950,000
Dividend Capitalisation (b)	11,389,584	2,733,500
Loan Capitalisation (c)	362,500	72,500
Restructuring (d)	15,858,528	3,964,632
	175,888,352	8,720,632
Issue of shares at $0.20 each (e)	32,000,000	6,400,000
Capitalisation of IPO expenses (f)	–	(436,382)
At end of the year 30 June 2019 and end of the year 30 June 2020	207,888,352	14,684,250

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

(a) See Note 1.1 on details of Share Split.

(b) See Note 1.2 on details of Dividend Capitalisation.

(c) See Note 1.3 on details of Loan Capitalisation.

(d) See Note 1.4 on details of the Restructuring.

(e) 32 million new shares issued at $0.20 per share in conjunction with the company's IPO and listing on the Catalist board of the Singapore Exchange Securities Trading Limited.

(f) IPO expenses incurred amounted to $1,672,396 of which $436,382 has been capitalised against share capital while the remaining amount of $1,236,014 has been included in other expenses (see Note 9).

22. SHARE CAPITAL (CONT'D)

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The group and company are in a net cash and cash equivalents position (borrowings less cash and cash equivalents) at the end of the current reporting year and for the previous reporting year, and there are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

In order to maintain its listing on the Singapore Stock Exchange, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

23. OTHER RESERVES

	Group	
	2020	2019
	$	$
Capital reserves (Note 23A)	(4,653,521)	(4,653,521)
Foreign currency translation reserve (Note 23B)	28	(34)
	(4,653,493)	(4,653,555)

23A. Capital reserves

	Group	
	2020	2019
	$	$
At beginning of the year	(4,653,521)	(1,525,127)
Acquisition of a non-controlling interest without a change in control	–	(3,128,394)
At end of the year	(4,653,521)	(4,653,521)

This is in respect of the acquisition or disposal of equity interests in subsidiaries without change in control. This is not available for cash dividends until realised.

23B. Foreign currency translation reserve

	Group	
	2020	2019
	$	$
At beginning of the year	(34)	105
Exchange differences on translating foreign operations	62	(139)
At end of the year	28	(34)

24. LOANS AND BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Non-current:				
Lease liabilities with fixed interest rates:				
Lease liabilities (Note 24A)	135,096	–	89,999	–
Loans with floating interest rates:				
Term loans A (secured) (Note 24B)	2,124,954	2,268,086	2,124,954	2,268,086
Term loan B (secured) (Note 24C)	–	328,694	–	–
Term loan C (secured) (Note 24D)	1,309,918	1,416,608	–	–
Term loan D (secured) (Note 24E)	1,911,592	–	–	–
Subtotal	5,481,560	4,013,388	2,214,953	2,268,086
Current:				
Lease liabilities with fixed interest rates:				
Lease liabilities (Note 24A)	68,200	–	60,000	–
Loans with no interest:				
Related parties (Note 3) (Note 24F)	982,300	584,400	–	–
Loans with floating interest rates:				
Term loans A (secured) (Note 24B)	151,357	157,761	151,357	157,761
Term loan B (secured) (Note 24C)	327,723	301,425	–	–
Term loan C (secured) (Note 24D)	106,668	106,668	–	–
Term loan D (secured) (Note 24E)	463,589	–	–	–
Subtotal	2,099,837	1,150,254	211,357	157,761
Total	7,581,397	5,163,642	2,426,310	2,425,847
The non-current portion is repayable as follows:				
Due within two to five years	3,021,552	1,386,410	695,428	631,044
Due after five years	2,460,008	2,626,978	1,519,525	1,637,042
Total	5,481,560	4,013,388	2,214,953	2,268,086
	%	%	%	%
The range of floating rate interest rates paid were as follows:				
Term loans A (secured)	2.1 – 3.8	2.1	2.1 – 3.8	2.1
Term loan B (secured)	2.9 – 4.5	4.5	–	–
Term loan C (secured)	2.8	2.8	–	–
Term loan D (secured)	3.6	–	–	–

The fair values are reasonable approximation of the carrying amounts.

24. OTHER FINANCIAL LIABILITIES (CONT'D)

24A. Lease liabilities

Group:	Minimum payments $	Finance charges $	Present value $
2020			
Minimum lease payments payable:			
Due within one year	75,292	(7,092)	68,200
Due within 2 to 5 years	147,691	(16,645)	131,046
Due more than 5 years	4,908	(858)	4,050
Total	227,891	(24,595)	203,296
Net book value of equipment under finance lease			192,367

Company:	Minimum payments $	Finance charges $	Present value $
2020			
Minimum lease payments payable:			
Due within one year	65,376	(5,376)	60,000
Due within 2 to 5 years	98,064	(8,065)	89,999
Total	163,440	(13,441)	149,999
Net book value of equipment under finance lease			127,500

There are leased assets under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets. Other details are as follows:

	Group		Company	
	2020	2019	2020	2019
Average lease term, in years	5	–	3	–
Average effective borrowing rate per year	5.68%	–	5.66%	–

24B. Term loans A (secured)

The bank loans are secured by a first legal mortgage over certain of the group's leasehold properties (Note 12) and joint and several personal guarantees from Dr. Barry Thng Lip Mong, Dr. Loh Cher Zoong, Dr. Yun Kok Onn and Dr. Goh Tiong Jin.

The bank loans are repayable by equal monthly instalments over 15 years from 19 April 2012 and over 20 years from 19 January 2018.

On 20 February 2020, the bank discharged Dr. Barry Thng Lip Mong, Dr. Loh Cher Zoong, Dr. Yun Kok Onn and Dr. Goh Tiong Jin as guarantors.

24. OTHER FINANCIAL LIABILITIES (CONT'D)

24C. Term loan B (secured)

The bank loan is secured by a memorandum of charge (third party) over the shares of wholly-owned subsidiaries, My Family Clinic (Clementi 325) Pte. Ltd. and My Family Clinic (St George) Pte. Ltd. or such other security over securities, shares stocks, bonds, notes, interest or units in mutual funds or unit trust schemes or other collective investment schemes, in form and substance acceptable to the bank as required by the bank from time to time whether quoted or otherwise.

The bank loan is repayable by equal monthly instalments over 3 years from 29 June 2018.

24D. Term loan C (secured)

The bank loan is secured by a legal mortgage over the group's leasehold property at Blk 325 Clementi Avenue 5 #01-139 Singapore 120325.

The bank loan is repayable by equal monthly instalments over 15 years from 16 August 2018.

24E. Term loan D (secured)

The bank loan is covered by a corporate guarantee and secured by a memorandum of charge (first party) over the shares of a subsidiary, Jaga-Me Pte. Ltd. or such other financial instruments acceptable to the bank as required by the bank.

The bank loan is repayable by equal monthly instalments over 5 years from 8 April 2020.

24F. Related parties

The loans are from non-controlling interests of certain subsidiaries for working capital purposes. The loans are unsecured, interest-free and repayable on demand.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 $	2019 $	2020 $	2019 $
Trade payables:				
Outside parties and accrued liabilities	13,073,586	12,539,015	813,046	590,963
Subsidiaries	–	–	1,766,613	1,771,419
Subtotal	13,073,586	12,539,015	2,579,659	2,362,382
Other payables:				
Other payables	239,183	289,250	122,685	103,330
Related parties (Note 3)	97,730	121,000	–	–
Directors (Note 3)	75,000	41,250	75,000	41,250
Deposits received	515,510	516,319	17,803	16,843
Put option liability payable consideration (Note 25A)	878,562	–	–	–
Subtotal	1,805,985	967,819	215,488	161,423
Total trade and other payables	14,879,571	13,506,834	2,795,147	2,523,805

25A. Put option liability payable consideration

	Group	
	2020 $	2019 $
At beginning of the year	–	–
Arising from the acquisition of Jaga-me Pte. Ltd. (Note 28A)	878,562	–
At end of the year	878,562	–

The put option liability relates to the ability of certain non-controlling interests of Jaga-Me Pte. Ltd. ("Jaga-Me") to sell their shares in Jaga-Me to the group at certain points in the future, commencing in 2021. The liability is recorded at the present value of the expected redemption amount. Refer Note 28A for further details.

26. PROVISION

	Group	
	2020 $	2019 $
At beginning of the year	53,620	38,739
Additions	92,000	22,620
Utilisation	(10,620)	(7,739)
At end of the year	135,000	53,620

Provision for reinstatement costs is recognised when the group enters into a lease agreement for the premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the group to the premises, where reinstatement is required. The premises shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

27. OTHER NON-FINANCIAL LIABILITIES

	Group	
	2020	2019
	$	$
Customers advances	1,301	42,108

28. ACQUISITIONS OF INTEREST IN SUBSIDIARIES

28A. Acquisitions of interest in subsidiaries (with change in control)

On 3 January 2020, the group through its wholly-owned subsidiary Alliance Healthcare Pte. Ltd., acquired 55% of the share capital in Jaga-Me Pte. Ltd. ("Jaga-Me") and from that date the group gained control. The investee became a subsidiary (also see Note 15 for the principal activities). The transaction was accounted for by the acquisition method of accounting.

The consideration transferred is as follows:

	2020
	$
Cash paid	3,501,345
Fair value of put option #a	352,426
Fair value of call option #a	(8,276)
Total consideration	3,845,495

The expenses incurred of $64,520 in relation to the acquisition are included in profit or loss under other expenses.

#a The group has call and put options with certain non-controlling shareholders of Jaga-Me. The call option provides the group the right to require the non-controlling shareholders concerned of Jaga-Me to sell the shares owned by them, and the put option provides the non-controlling shareholders concerned the right to require the group to acquire shares owned by them.

The put option is exercisable within 3 months from (each of) the date of Jaga-Me's audited accounts for financial years ended 30 June 2021, 2022 or 2023 if the following conditions are met:

(i) Jaga-Me's net operating profit after tax ("NOPAT") is $1.5 million or higher; exercisable at $4.80 per ordinary share; or

(ii) Jaga-Me's NOPAT is below $1.5 million, but its operating revenue is $4 million or higher; exercisable at $3.00 per ordinary share.

The group recognised the put option liability at the present value of the expected redemption amount of $878,562 (Note 25A) as at the end of the reporting year, based on the probability assessed by management on achieving the above conditions.

The call option is exercisable within 3 months from (each of) the date of Jaga-Me's audited accounts for financial year ended 30 June 2021, 2022 or 2023 if the audited accounts indicates that Jaga-Me's NOPAT is $1.5 million or higher. The exercise price is at $4.80 per ordinary share.

The difference of $526,136 arising between the fair value of the put option of $352,426 and the put option liability payable of $878,562 has been recognised as a reduction to non-controlling interests.

28. ACQUISITIONS OF INTEREST IN SUBSIDIARIES (CONT'D)

28A. Acquisitions of interest in subsidiaries (with change in control) (cont'd)

The fair values of Jaga-Me's identifiable assets acquired and liabilities assumed shown below are from a detailed report prepared by an independent external valuation specialist firm.

2020	Pre-acquisition book value $	Fair value adjustments $	At fair value $
Property, plant and equipment	5,252		5,252
Right-of-use asset	31,056		31,056
Unpatented technology (Note 16)	–	810,000	810,000
Inventories	4,687		4,687
Trade and other receivables	34,750		34,750
Cash and cash equivalents	2,177,006		2,177,006
Trade and other payables	(86,829)		(86,829)
Other non-financial liabilities	(13,379)		(13,379)
Loans and borrowings	(500,000)		(500,000)
Financial liabilities – lease liabilities	(31,753)		(31,753)
Deferred tax liabilities	–	(137,700)	(137,700)
Net assets	1,620,790		2,293,090
Attributable to non-controlling interests			(1,031,890)
Net assets acquired			1,261,200

The goodwill arising on acquisition is as follows:

	2020 $
Consideration transferred	3,845,495
Fair value of net assets acquired	(2,293,090)
Non-controlling interests	1,031,890
Goodwill arising on acquisition (Note 16)	2,584,295

The net cash outflow on acquisition was as follows:

	2020 $
Purchase consideration	3,845,495
Less: Non-cash consideration	(344,150)
Consideration settled in cash	3,501,345
Less: Cash and cash equivalents of subsidiary acquired	(2,177,006)
Net cash outflow for statement of cash flows purposes at end of the year	1,324,339

The goodwill is not deductible for tax purposes.

28. ACQUISITIONS OF INTEREST IN SUBSIDIARIES (CONT'D)

28A. Acquisitions of interest in subsidiaries (with change in control) (cont'd)

The contributions from the acquired subsidiary for the period between the date of acquisition and the end of the reporting year were as follows:

	From date of acquisition in 2020 $	For the reporting year 2020 $
Revenue	1,150,715	1,703,072
Profit/(loss) before income tax	77,252	(201,910)

28B. Acquisitions of interest in subsidiaries without a change in control

In 2019, the group acquired additional interests in its subsidiaries pursuant to the Restructuring as described in Note 1.4. Changes in the ownership interest in the subsidiaries that do not result in a change in control are accounted for as transactions with owners in their capacity as owners (as equity transactions). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to the owners of the parents. The schedule below shows the effects of the changes.

Group:	Before $	After $	Change $
Proportionate share of the carrying amount of the net assets of subsidiaries transferred from non-controlling interests	836,238	–	(836,238)
Loss on acquisition included in other reserves	–	(3,128,394)	(3,128,394)

Company:	Before $	After $	Change $
Investments in subsidiaries	1,463,000	5,877,632	4,414,632

29. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2020 $	2019 $
Commitments to purchase property, plant and equipment	218,930	264,124

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

30A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2020	2019	2020	2019
	$	$	$	$
Financial assets:				
Financial assets at amortised cost	26,146,620	24,172,026	11,135,012	9,974,355
Financial assets at fair value through profit or loss (FVTPL)	8,276	–	–	–
At end of the year	26,154,896	24,172,026	11,135,012	9,974,355
Financial liabilities:				
Financial liabilities at amortised cost	25,393,256	18,670,476	5,280,348	4,949,652
At end of the year	25,393,256	18,670,476	5,280,348	4,949,652

Further quantitative disclosures are included throughout these financial statements.

30B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior staff.

4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

30D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counterparties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 21 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

30E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2019: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Notes to The
Financial Statements
Year Ended 30 June 2020

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

Group	Less than 1 year $	2 to 5 years $	More than 5 years $	Total $
Non-derivative financial liabilities: 2020:				
Gross loans and borrowings	2,264,563	3,639,628	3,024,018	8,928,209
Gross lease liabilities	1,723,616	1,567,998	4,908	3,296,522
Trade and other payables	14,879,571	–	–	14,879,571
At end of the year	18,867,750	5,207,626	3,028,926	27,104,302
Non-derivative financial liabilities: 2019:				
Gross loans and borrowings	1,264,996	1,732,196	2,973,609	5,970,801
Trade and other payables	13,506,834	–	–	13,506,834
At end of the year	14,771,830	1,732,196	2,973,609	19,477,635

Company	Less than 1 year $	2 to 5 years $	More than 5 years $	Total $
Non-derivative financial liabilities: 2020:				
Gross loans and borrowings	282,653	1,068,745	2,040,930	3,392,328
Gross lease liabilities	105,218	118,672	–	223,890
Trade and other payables	2,795,147	–	–	2,795,147
At end of the year	3,183,018	1,187,417	2,040,930	6,411,365
Non-derivative financial liabilities: 2019:				
Gross loans and borrowings	208,980	835,920	1,859,778	2,904,678
Trade and other payables	2,523,805	–	–	2,523,805
At end of the year	2,732,785	835,920	1,859,778	5,428,483

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2019: 90 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Financial guarantee contracts - For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Company	2 to 5 years $
Non-derivative financial liabilities:	
2020:	
Financial guarantee contracts - bank guarantee in favour of a subsidiary (Note 3)	2,507,400
At end of the year	2,507,400
2019:	
Financial guarantee contracts - bank guarantee in favour of a subsidiary (Note 3)	950,000
At end of the year	950,000

Bank facilities:

	Group and Company	
	2020 $	2019 $
Undrawn borrowing facilities	1,204,475	1,500,000

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

30F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

30G. Foreign currency risk

There is no significant exposure to foreign currency risk as part of its normal business.

31. ITEMS IN PROFIT OR LOSS

	Group	
	2020	2019
	$	$
Audit fees to the independent auditor of the company	207,518	199,700
Audit fees to the other independent auditor	1,727	68
Other fees to the independent auditor of the company, in connection with IPO (a)	–	197,220
Other fees to the independent auditor of the company	94,091	139,564

(a) Excludes $35,404 capitalised against share capital as part of IPO expenses (Note 22 (f)).

32. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements except as discussed below.

SFRS (I) No.	Title
SFRS (I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS (I) INT 23	Uncertainty over Income Tax Treatments
SFRS (I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS (I) 1-23	Improvements (2017) – Amendments: Borrowing Costs
SFRS (I) 3	Improvements (2017) – Amendments: Business Combinations
SFRS (I) 16	Amendment to SFRS (I) 16: COVID-19 Related Rent Concessions

SFRS (I) 16 Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 July 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee almost all leases are brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the entity has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year 2020 by the application of the new standard on leases are disclosed in the relevant notes to the financial statements. The reporting entity elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach the comparative information is not restated and therefore there is no presentation of a third column for the statement of financial position.

33. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 3	Definition of a Business – Amendments	1 January 2020
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 January 2020

Statistics of **Shareholdings**

As at 16 September 2020

No. of Shares Issued	: 207,888,352
Class of Shares	: Ordinary shares
Voting Rights	: One vote per share
No. of Treasury Shares and Subsidiary Holdings	: Nil

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	53	15.14	51,400	0.02
1,001 - 10,000	106	30.29	618,700	0.30
10,001 - 1,000,000	178	50.86	17,787,158	8.56
1,000,001 & Above	13	3.71	189,431,094	91.12
Total	350	100	207,888,352	100.00

TOP TWENTY SHAREHOLDERS

No.	Name of Top Twenty Shareholders	No. of Shares	%
1.	Alpine Investment Holdings Pte Ltd	133,450,000	64.19
2.	Citibank Nominees Singapore Pte Ltd	8,873,885	4.27
3.	28 Holdings Pte Ltd	8,000,000	3.85
4.	Thng Lip Mong	7,428,223	3.57
5.	Lim Jit Fong	7,128,185	3.43
6.	Wong Chien Yeh (Huang Jianye)	6,630,860	3.19
7.	Mok Kan Hwei Paul	6,598,960	3.17
8.	DBS Nominees Pte Ltd	3,072,500	1.48
9.	Raffles Nominees (Pte) Limited	2,168,000	1.04
10.	Yun Kok Onn	1,991,087	0.96
11.	Loh Cher Zoong	1,528,343	0.74
12.	Ang Corey Damien	1,375,065	0.66
13.	Goh Chee Hwei (Wu Zhihui)	1,185,986	0.57
14.	Jin Songqiao	1,000,000	0.48
15.	Lim Cheok Peng	1,000,000	0.48
16.	Goh Tiong Jin	891,831	0.43
17.	Tan Eileen	800,000	0.38
18.	Leong Peng Kheong Adrian Francis	741,370	0.36
19.	Goh Khoon Lim	716,000	0.34
20.	Jin Huigang	656,400	0.32
		195,236,695	93.91

Statistics of **Shareholdings**

As at 16 September 2020

SUBSTANTIAL SHAREHOLDERS (AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Alpine Investment Holdings Pte Ltd	133,450,000	64.19	0	0.00
Thng Lip Mong [1]	7,428,223	3.57	133,450,000	64.19

Note:

(1) Dr Barry Thng Lip Mong is deemed to be interested in 133,450,000 ordinary shares of the Company held by Alpine Investment Holdings Pte. Ltd. by virtue of his holding more than 20% of the total issued shares in Alpine Investment Holdings Pte. Ltd.

PUBLIC SHAREHOLDING

As at 16 September 2020, approximately 15.38% of the issued shares of Alliance Healthcare Group Limited is in the hands of the public. The Company has complied with Rule 723 of the SGX-ST Listing Manual Section B: Rules of the Catalist.

Notice of
Annual General Meeting

Alliance Healthcare Group Limited
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200608233K)

This Notice has been made available on the SGXNet and the Company's website on 13 October 2020. A printed copy of this Notice will not be despatched to Shareholders.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be convened and held by electronic means on Wednesday, 28 October 2020 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Financial Statements for the financial year ended 30 June 2020 and the Auditor's Report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax-exempt dividend of SGD0.0034 per ordinary share for the financial year ended 30 June 2020. **(Resolution 2)**

3. To re-elect Dr Barry Thng Lip Mong, who is retiring pursuant to Regulation 97 of the Constitution of the Company, as director of the Company. (See Explanatory Note 1) **(Resolution 3)**

4. To re-elect Dr Leong Peng Kheong Adrian Francis, who is retiring pursuant to Regulation 97 of the Constitution of the Company, as director of the Company. (See Explanatory Note 2) **(Resolution 4)**

5. To approve Directors' fees of S$150,000 for the financial year ending 30 June 2021. **(Resolution 5)**

6. To re-appoint RSM Chio Lim LLP as auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution with or without any modifications:

7. Authority to allot and issue shares and convertible securities **(Resolution 7)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Act") and Rule 806 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") and the Constitution of the Company, authority be and is hereby given to the Directors to:

(i) issue shares whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(iii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force, provided that:

(a) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued pursuant to this resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued (including shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares (including shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (a) above, the percentage of shares that may be issued shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution, after adjusting for (i) new shares arising from the conversion or exercise of the Instruments or any convertible securities; and (ii) any subsequent bonus issue, consolidation or sub-division of shares;

(c) in exercising such authority, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of the Company; or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. *(See Explanatory Note 3)*

BY ORDER OF THE BOARD

Dr. Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer

13 October 2020

Notice of
Annual General Meeting

Explanatory Notes:

1. Dr Barry Thng Lip Mong will, upon re-election, remain as Executive Chairman and Chief Executive Officer of the Company. The detailed information of Dr Thng can be found under “Board of Directors” and “Corporate Governance Statement” in the Company’s Annual Report 2020.

2. Dr Leong Peng Kheong Adrian Francis will, upon re-election, continue to serve as Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nominating Committee. He is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Dr. Leong does not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent judgement with a view to the best interests of the Group. The detailed information of Dr Leong can be found under “Board of Directors” and “Corporate Governance Statement” in the Company’s Annual Report 2020.

3. Resolution 7, if passed, will empower the directors, from the date of this annual general meeting until the next annual general meeting, to allot and issue new shares and/or convertible securities in the Company including a rights or bonus issue without seeking further approval from shareholders in general meeting for such purposes as the directors consider would be in the best interests of the Company. The maximum number of shares which the directors may issue pursuant to this Resolution shall not exceed the quantum set out in the Resolution 7.

Important Notes:

No Despatch of Annual Report

A printed copy of the Annual Report will not be despatched to the Company's shareholders. **The Annual Report has been uploaded to the SGXNet on 13 October 2020 and may be accessed via SGXNet, the Company's website at https://www.alliancehealthcare.com.sg/investor-relations/ and AGM/EGM website at https://agm.conveneagm.com/alliancehealthcare.**

Pre-registration for AGM

The annual general meeting (the “**AGM**”) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company’s announcement dated 13 October 2020 which has been uploaded together with this Notice of AGM on SGXNet on the same day. The announcement and this Notice of AGM may also be accessed at the Company’s website at https://www.alliancehealthcare.com.sg/investor-relations/.

A shareholder will be able to participate at the AGM by watching the AGM proceeding via a ‘live’ audio-visual webcast via mobile phones, tablets or computers or listening to the proceeding through a 'live' audio-only stream. In order to do so, a shareholder must register by sending the following details: their full name (as per CDP/SRS account records), NRIC/passport/company registration no., contact number and email address to investor.relations@alliancehealthcare.com.sg or register at https://agm.conveneagm.com/alliancehealthcare, **no later than 10.00 a.m. on 23 October 2020**.

Shareholders who do not receive a confirmation email from the Company by 26 October 2020, but have registered by the pre-registration deadline as stated above, should send an email to the Company at investor.relations@alliancehealthcare.com.sg.

Notice of
Annual General Meeting

Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act (other than The Central Provident Fund and Supplementary Retirement Scheme) and who wish to participate in the AGM by (a) observing and/or listening the AGM proceeding through "live" audio-visual webcast; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective relevant intermediaries through which they hold such shares at least seven working days before the AGM in order to make the necessary arrangements for them to participate in the AGM.

Submission of Questions prior to AGM

A shareholder who pre-registers to watch the "live" audio–visual webcast or listen to the "live" audio-only stream may also submit questions relating to the resolutions to be tabled for approval at the AGM by **10.00 a.m. on 23 October 2020** via email to the Company at investor.relations@alliancehealthcare.com.sg or via https://agm.conveneagm.com/alliancehealthcare.

When sending in the questions, please provide full name, identification/registration number and the manner in which the shares of the Company are held for verification purpose, failing which, the submission will be treated as invalid.

The Company's responses to the shareholders' questions will be published at the SGXNet and the Company's website at https://www.alliancehealthcare.com.sg/investor-relations/.

Submission of Proxy Form

A shareholder will not be able to attend the AGM in person. If a shareholder wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM (the "**Chairman**") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.

If a shareholder wishes to exercise his/her/its voting rights at the AGM, the proxy form appointing the Chairman must be submitted to the Company in the following manner **no later than 2.30 pm on 25 October 2020**:

(a) If submitted electronically, be submitted via email to the Company at investor.relations@alliancehealthcare.com.sg; or

(b) If submitted via AGM/EGM website, at https://agm.conveneagm.com/alliancehealthcare; or

(c) If in hard copy, be submitted by post/courier/hand to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00 Singapore 068898.

The shareholder may download the Proxy Form from SGXNet or the Company's website at https://www.alliancehealthcare.com.sg/investor-relations/.

The proxy form must be executed under the hand of the appointer or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.

Notice of
Annual General Meeting

Personal Data Privacy

Where a shareholder of the Company submits a proxy form appointing Chairman to vote at the AGM and/or any adjournment thereof, the shareholder (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines and (ii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

RECORD DATE AND DIVIDEND PAYMENT DATE FOR FIRST AND FINAL ONE-TIER TAX-EXEMPT DIVIDEND

Subject to approval of shareholders of the Company being obtained for the first and final one-tier tax-exempt dividend of SGD0.0034 per ordinary share (the "**Dividend**") for the financial year ended 30 June 2020 at the Annual General Meeting, the Register of Members and Share Transfer Books of the Company will be closed on 4 November 2020 for the purpose of preparing dividend warrants.

Duly completed registrable transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 3 November 2020 will be registered to determine shareholders' entitlement to the Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 3 November 2020 will be entitled to the Dividend.

Payment of the Dividend, if approved by Shareholders at the Annual General Meeting of the Company, will be made on 11 November 2020.

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ALLIANCE HEALTHCARE GROUP LIMITED
(Incorporated in the Republic of Singapore Singapore)
(Company Registration No.: 200608233K)

IMPORTANT:
1. Shareholders and CPF/SRS investors who have used their CPF/SRS monies to buy Alliance Healthcare Group Limited's shares may download the annual report and proxy form from SGXNet, the Company's website at https://www.alliancehealthcare.com.sg/investor-relations/ and AGM website at https://agm.conveneagm.com/alliancehealthcare.
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy:

By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 October 2020.

PROXY FORM

This Proxy Form has been made available on the SGXNet, the Company's website at https://www.alliancehealthcare.com.sg/investor-relations/ and AGM/EGM website at https://agm.conveneagm.com/alliancehealthcare. A printed copy of this Proxy Form will not be despatched to Shareholders.

*I/We, ______________________________ (Name)

of ______________________________ (Address)

being a member/members of Alliance Healthcare Group Limited (the "**Company**"), hereby appoint Chairman of the annual general meeting of the Company ("**Meeting**" or "**AGM**") as *my/our *proxy to vote for *me/us on *my/our behalf, at the AGM to be held by electronic means on Wednesday, 28 October 2020 at 2.30 p.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against (or abstain from voting on) the resolutions as set out in the notice of Meeting. In the absence of specific directions, the appointment of the Chairman of the Meeting as proxy for that resolution(s) will be treated as invalid.

No.	Resolutions relating to:	For	Against	Abstain
Ordinary Business				
1	To adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2020			
2	To declare a first and final one-tier tax-exempt dividend of SGD0.0034 per ordinary share for the financial year ended 30 June 2020			
3	To re-elect Dr. Barry Thng Lip Mong as director			
4	To re-elect Dr. Leong Peng Kheong Adrian Francis as director			
5	To approve the Directors' fees for the financial year ending 30 June 2021.			
6	To re-appoint RSM Chio Lim LLP as Auditors			
Special Business				
7	To authorise the Directors to issue shares and convertible securities			

Dated this __________ day of ____________ 2020

Total Number of Shares held in:	
a) CDP Register	
b) Register of Members	

____
Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

**Delete where applicable.*

1. The shareholder may download the Proxy Form from SGXNet or the Company's website at https://www.alliancehealthcare.com.sg/investor-relations/ or submit his/her/its proxy form via https://agm.conveneagm.com/alliancehealthcare.

2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all the shares held by you.

3. A shareholder will not be able to attend the AGM in person. A shareholder who wishes to vote on the resolutions must appoint the Chairman of the AGM (the "**Chairman**") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. If a shareholder wishes to exercise his/her/its voting rights at the AGM, the proxy form appointing the Chairman must be submitted to the Company in the following manner **no later than 2.30 pm on 25 October 2020:**

    (a) If submitted electronically, be submitted via email to the Company at investor.relations@alliancehealthcare.com.sg; or

    (b) If submitted via AGM/EGM website, at https://agm.conveneagm.com/alliancehealthcare; or

    (c) If in hard copy, be submitted by post/courier/hand to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00 Singapore 068898.

4. The proxy form must be executed under the hand of the appointer or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.

5. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions at least seven working days before the AGM. Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 (other than CPF/SRS investors) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries through which they hold such shares as soon as possible in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to vote on their behalf.

6. Where a Shareholder appoints Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of the resolutions set out in the Proxy Form. In the absence of specific directions, the appointment of the Chairman of the Meeting as proxy for that resolution(s) will be treated as invalid.

7. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.

8. By submitting a proxy form appointing the Chairman of the AGM as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 October 2020.

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CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Dr. Barry Thng Lip Mong
Executive Chairman and CEO

Dr. Mok Kan Hwei, Paul
Executive Director

Mr. Wong Hin Sun, Eugene
Lead Independent Director

Mr. Lim Heng Chong Benny
Independent Director

Dr. Leong Peng Kheong Adrian Francis
Independent Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Wong Hin Sun, Eugene, *Chairman*
Dr. Leong Peng Kheong Adrian Francis, *Member*
Mr. Lim Heng Chong Benny, *Member*

NOMINATING COMMITTEE

Mr. Lim Heng Chong Benny, *Chairman*
Dr. Leong Peng Kheong Adrian Francis, *Member*
Mr. Wong Hin Sun, Eugene, *Member*

REMUNERATION COMMITTEE

Dr. Leong Peng Kheong Adrian Francis, *Chairman*
Mr. Lim Heng Chong Benny, *Member*
Mr. Wong Hin Sun, Eugene, *Member*

COMPANY SECRETARIES

Ms. Low Mei Wan, *ACIS*
Ms. Lin Moi Heyang, *ACIS*

REGISTERED OFFICE

25 Bukit Batok Crescent
#07-12 The Elitist
Singapore 658066
Tel: +65 6697 7700
Fax: +65 6697 7757
Email: investor.relations@alliancehealthcare.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00
Singapore 068898

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095
Partner-in-charge: Mr. Paul Lee Seng Meng
(since reporting year ended 30 June 2017)

PRINCIPAL BANKERS

CIMB Bank Berhad, Singapore Branch
DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

CATALIST SPONSOR

CIMB Bank Berhad, Singapore Branch
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

INVESTOR RELATIONS

Gem Comm Pte Ltd
1 Temasek Ave, Level 30
Singapore 039192
www.gem-comm.com

ALLIANCE™

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